



Minnesota State Demographic Center

# Goodbye Boomers, Hello Labor Shortage

**Presentation hosted by The PrivateBank**

**Andi Egbert, Assistant Director,  
MN State Demographic Center**

**February 3, 2016 | Edina, MN**

Website: [mn.gov/demography](http://mn.gov/demography) | Twitter: @MN\_StateData





# What is the role of the MN State Demographic Center?

---

- Serve as a liaison to the Census Bureau and assist with the decennial census counts
- Create MN population estimates and projections
- Analyze, interpret and distribute data from the state, U.S. Census Bureau and other sources
- Offer data and technical assistance to legislators, all levels of government, organizations and citizens across the state
- Monitor trends and help MN to make data-informed decisions



+ 4 { Population Shifts  
Aging Trends  
Workforce Considerations  
Migration & Diversity

Major demographic trends  
shaping Minnesota

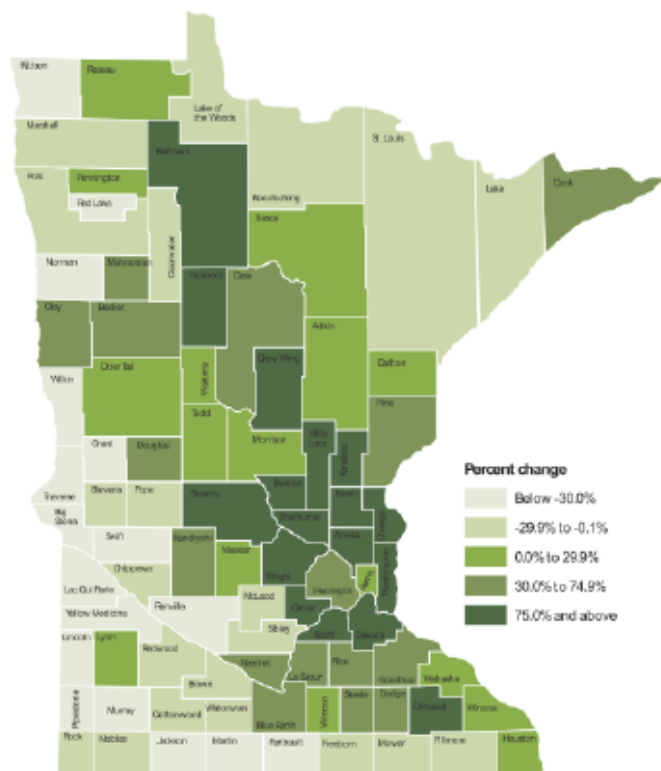


# Population Shifts



# The long, historic view... population change since 1960

Long-term population  
change, 1960-2013



Data source:  
U.S. Census Bureau,  
Population Estimate Program  
© Center for Rural Policy and Development



# QUIZ QUESTION

Where do 1 in 5 of Minnesota's residents live?



- A. The 7-county  
Twin Cities metro
- B. Otter Tail County
- C. Hennepin County



# Counties are not comparable units for measurement!

5 largest MN counties in 2014:

1. **Hennepin (1.2M residents, 22% of state)**
  2. Ramsey (530K, 10% of state)
  3. Dakota (412K, 8% of state)
  4. Anoka (343K, 6% of state)
  5. Washington (249K, 5% of state)
- Everywhere else (2.7M, 50% of state)

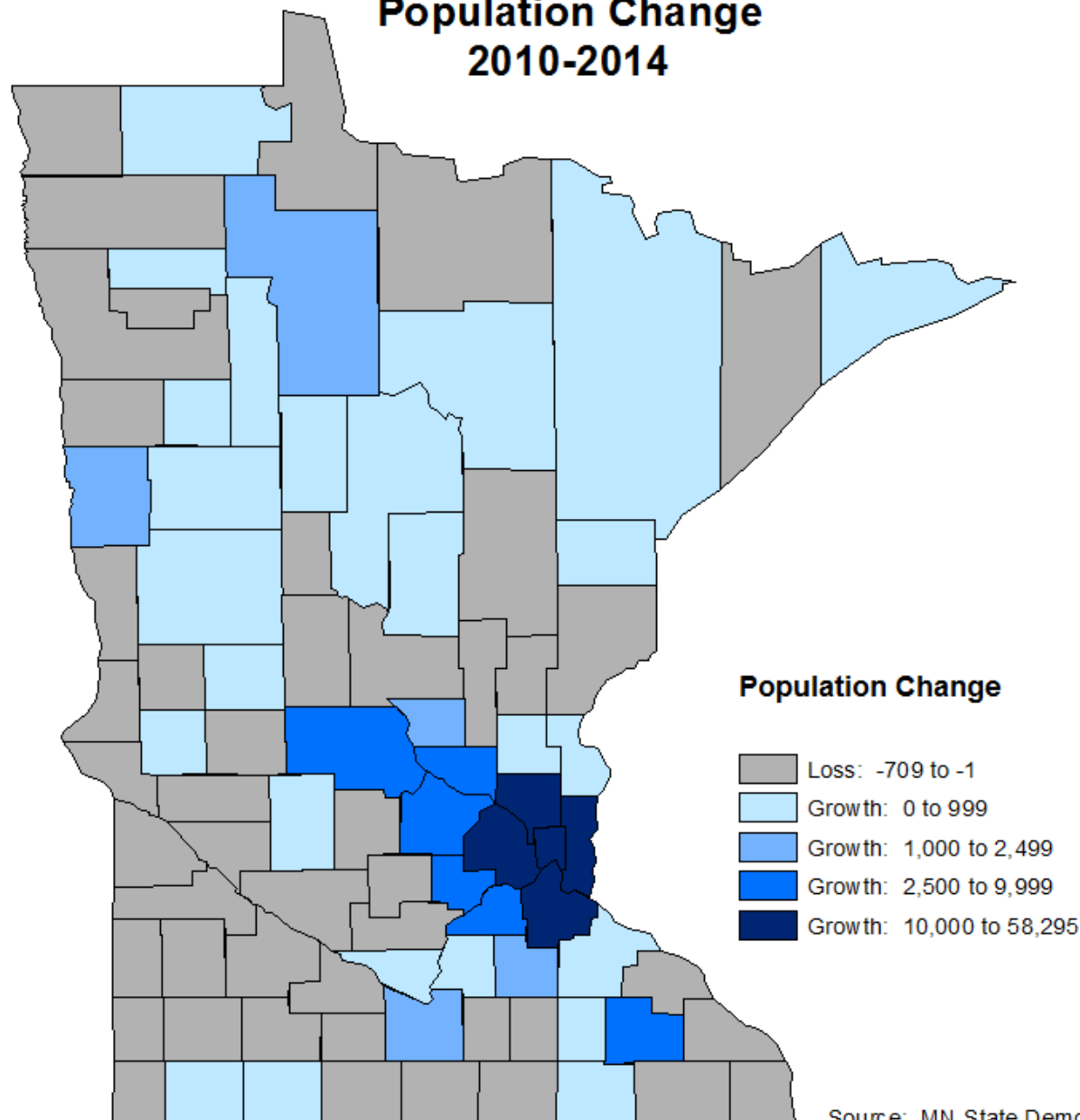
# + County highlights: Population change between 2010 and 2014

---

- Minnesota has 87 counties ranging in size from 3,400 residents (Traverse) to 1.2 million residents (Hennepin).
- There are 10 counties with populations exceeding 100,000, and 9 *additional* counties with more than 50,000 residents.
- There are 19 counties with fewer than 10,000 residents.
- Hennepin and Ramsey counties led all counties with population increases of about 58,000 and 21,000, respectively
- 16 counties, added 1,000+ residents.
- 46 counties have lost population since 2010.

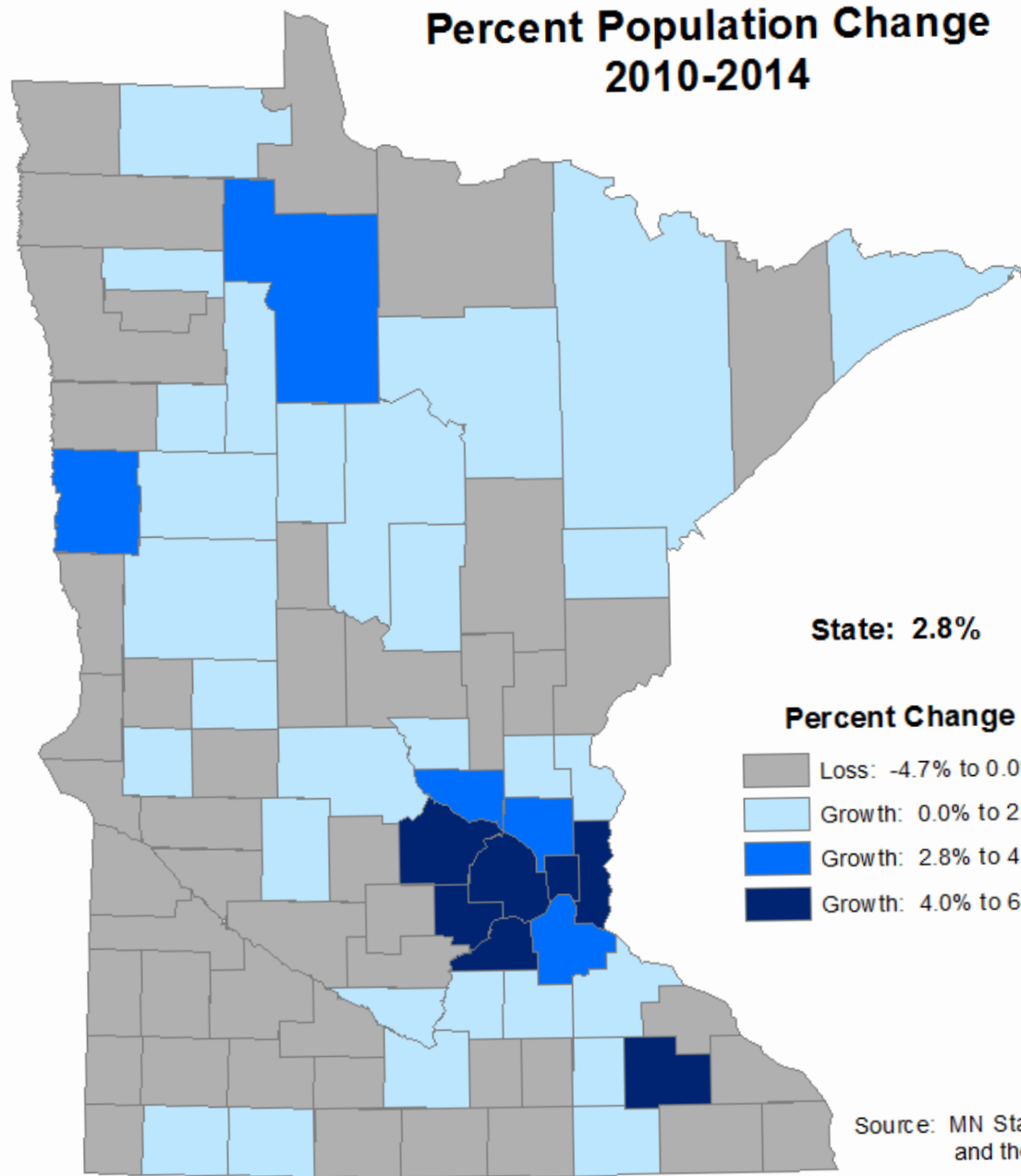


## Population Change 2010-2014



Source: MN State Demographic Center  
and the Metropolitan Council

## Percent Population Change 2010-2014

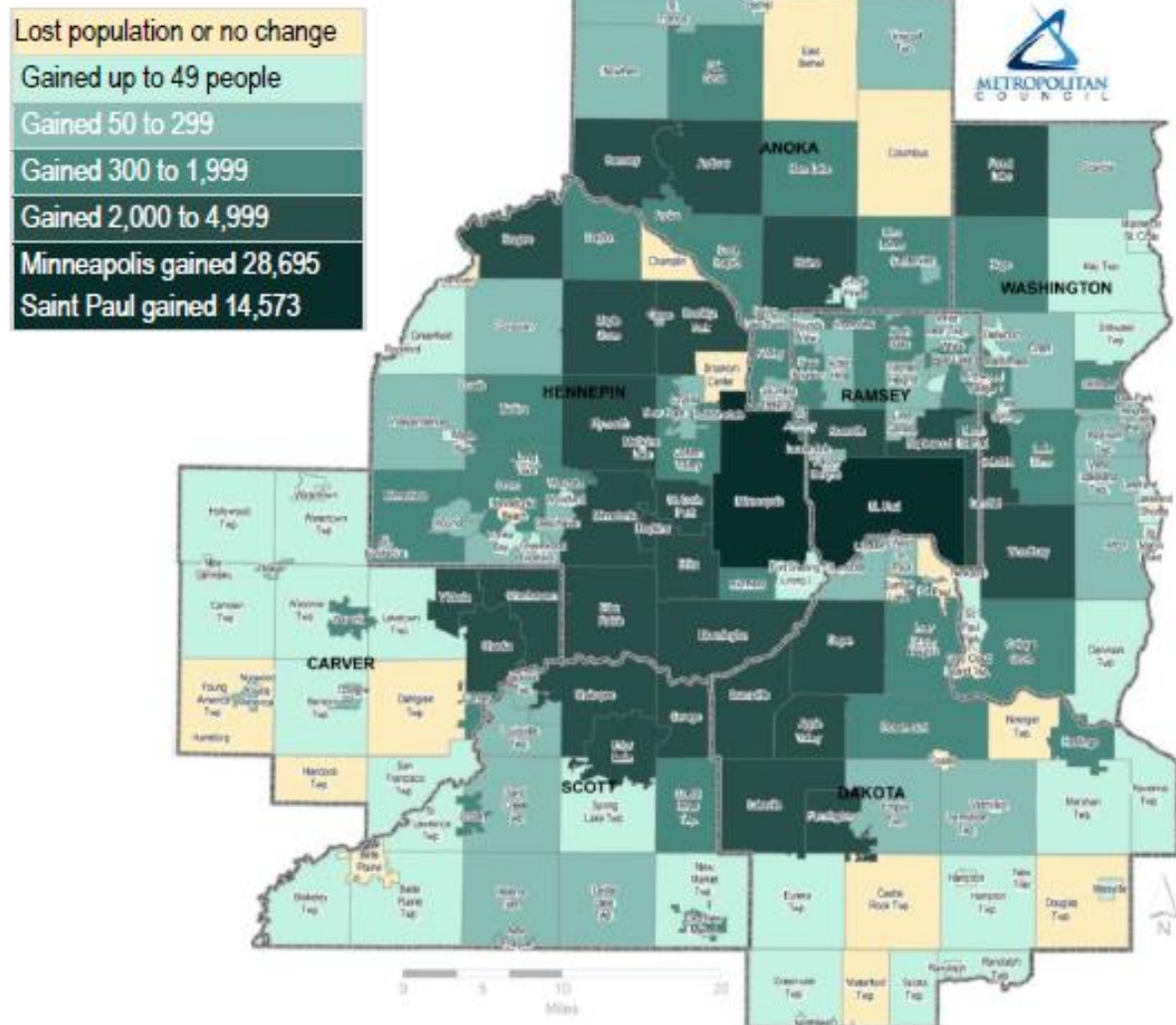




# Focus on the 7- county metro

Population change, 2010-2014  
(darkest green=greatest)

Figure 3. Population change between 2010 and 2014 for cities and townships



Source: Metropolitan Council's 2014 Population Estimates.

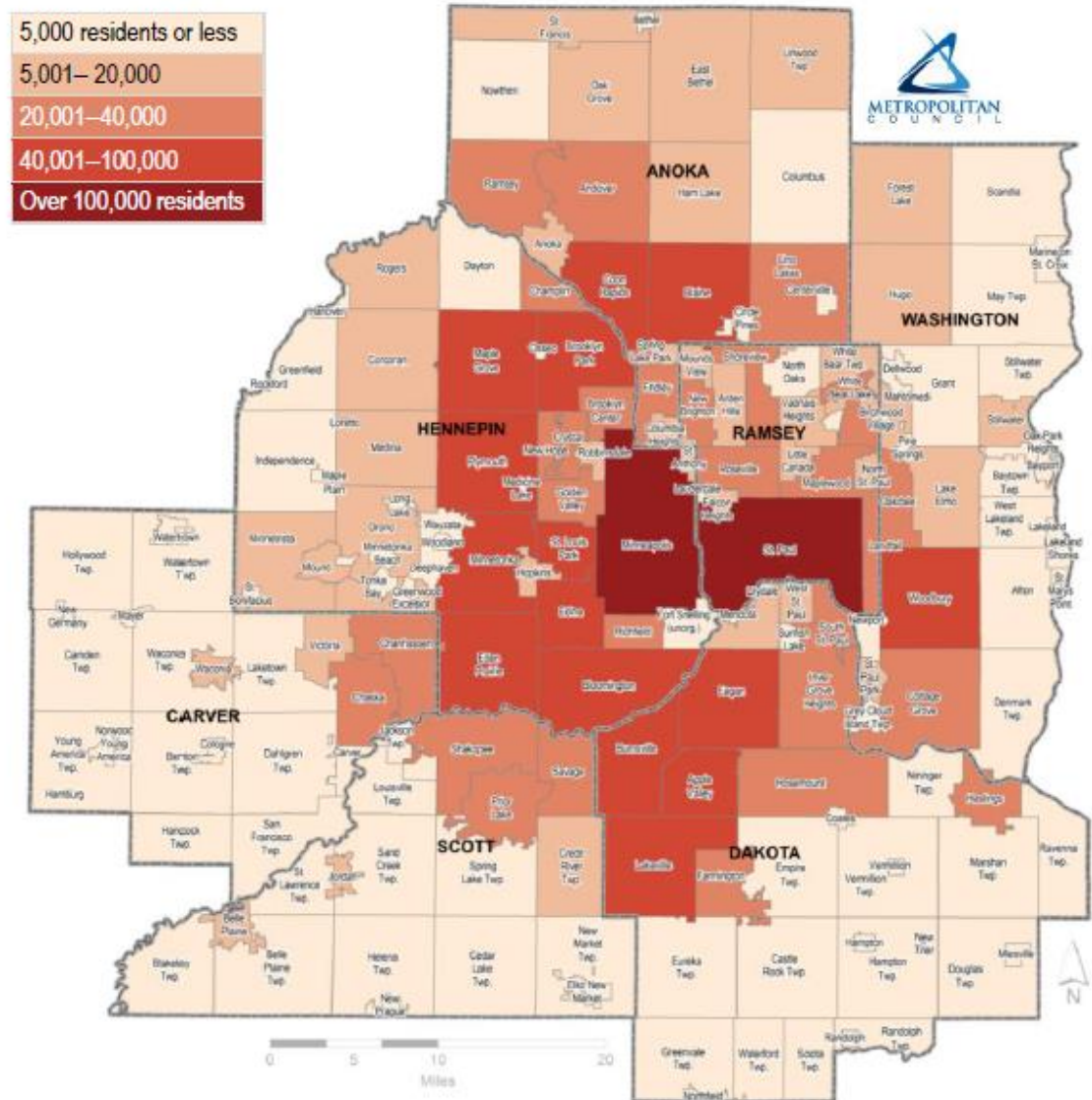
Source: Metropolitan Council's 2014 Population Estimates.



# Focus on the 7- county metro

2014 population (red=greatest)

Figure 1. Total population based on 2014 estimates for cities and townships



Source: Metropolitan Council's 2014 Population Estimates.



# Our Projections Page: [mn.gov/demography/projections](https://mn.gov/demography/projections)

- Find state, county and Economic Development Region projections to 2045, by age and gender
- Explore population pyramids for all counties through 2045



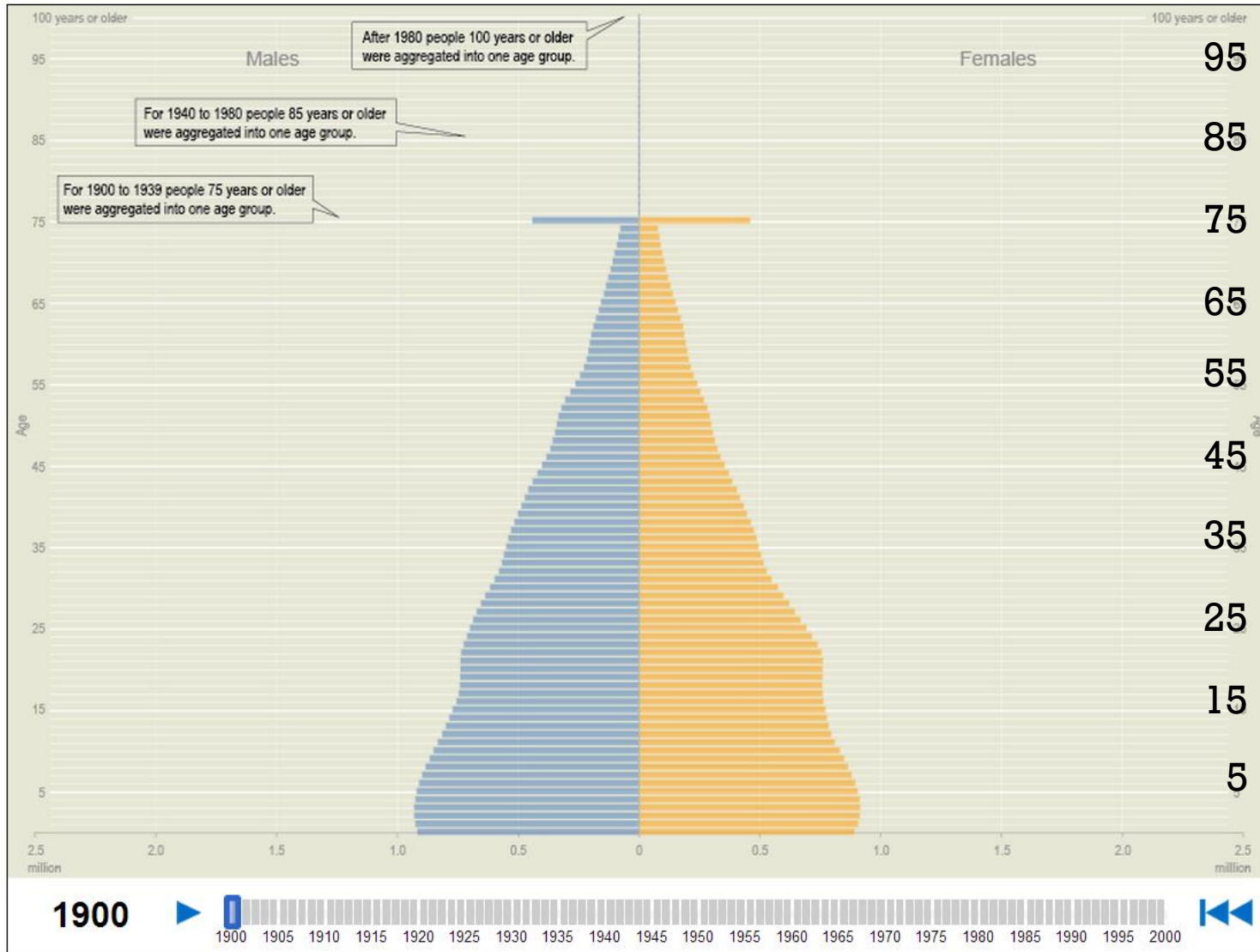


# Aging trends



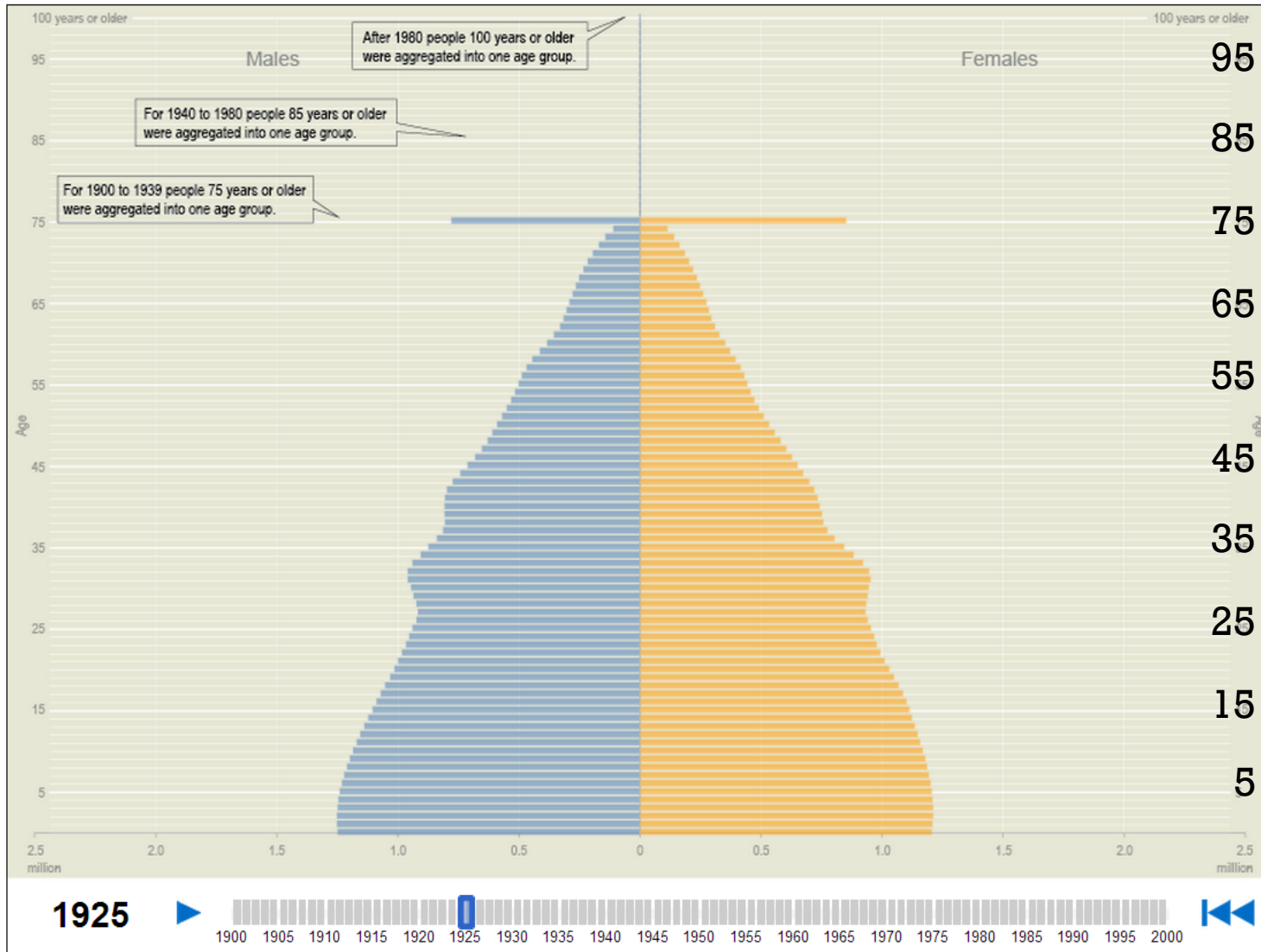


# The nation in 1900





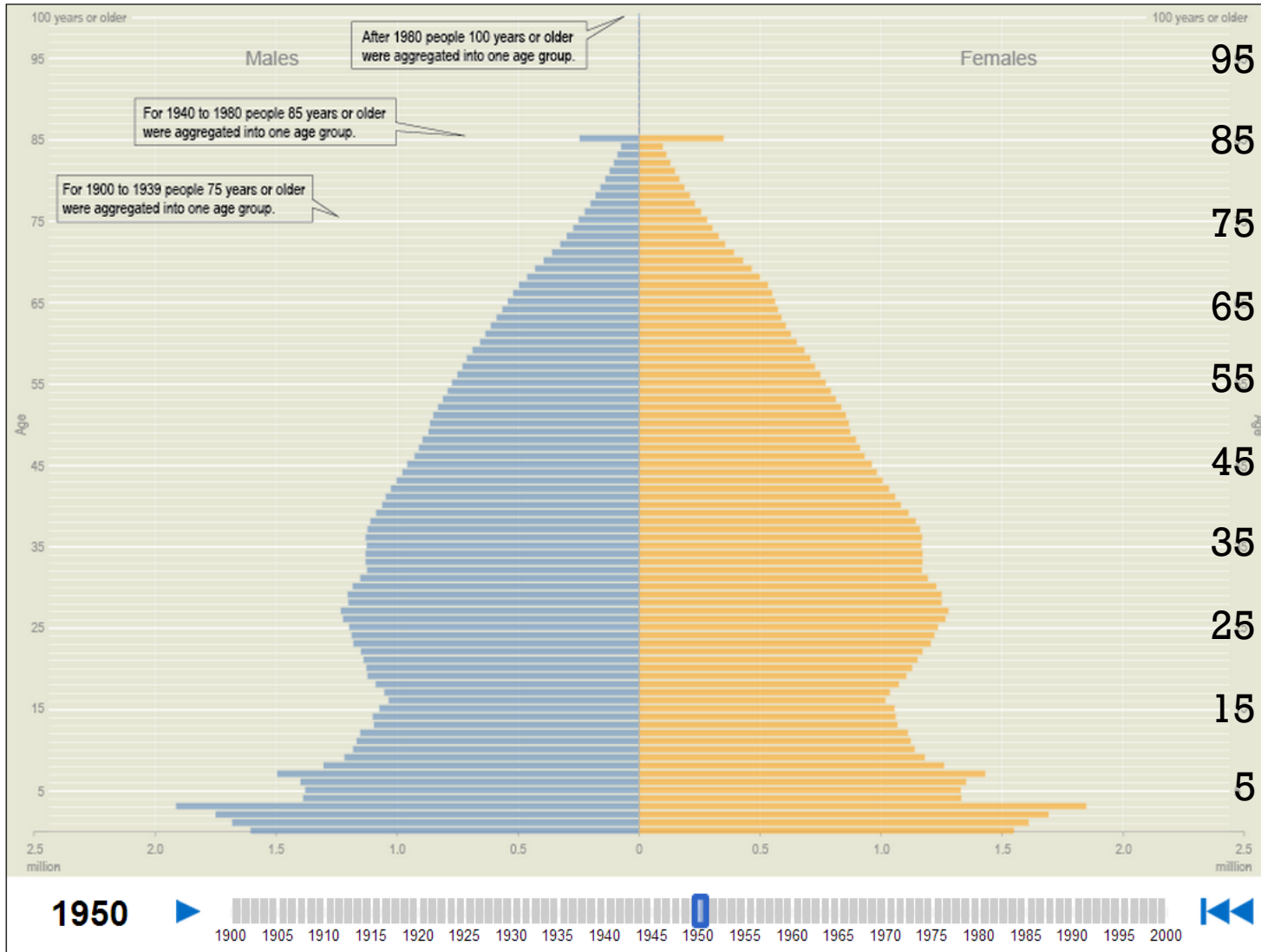
# The nation in 1925





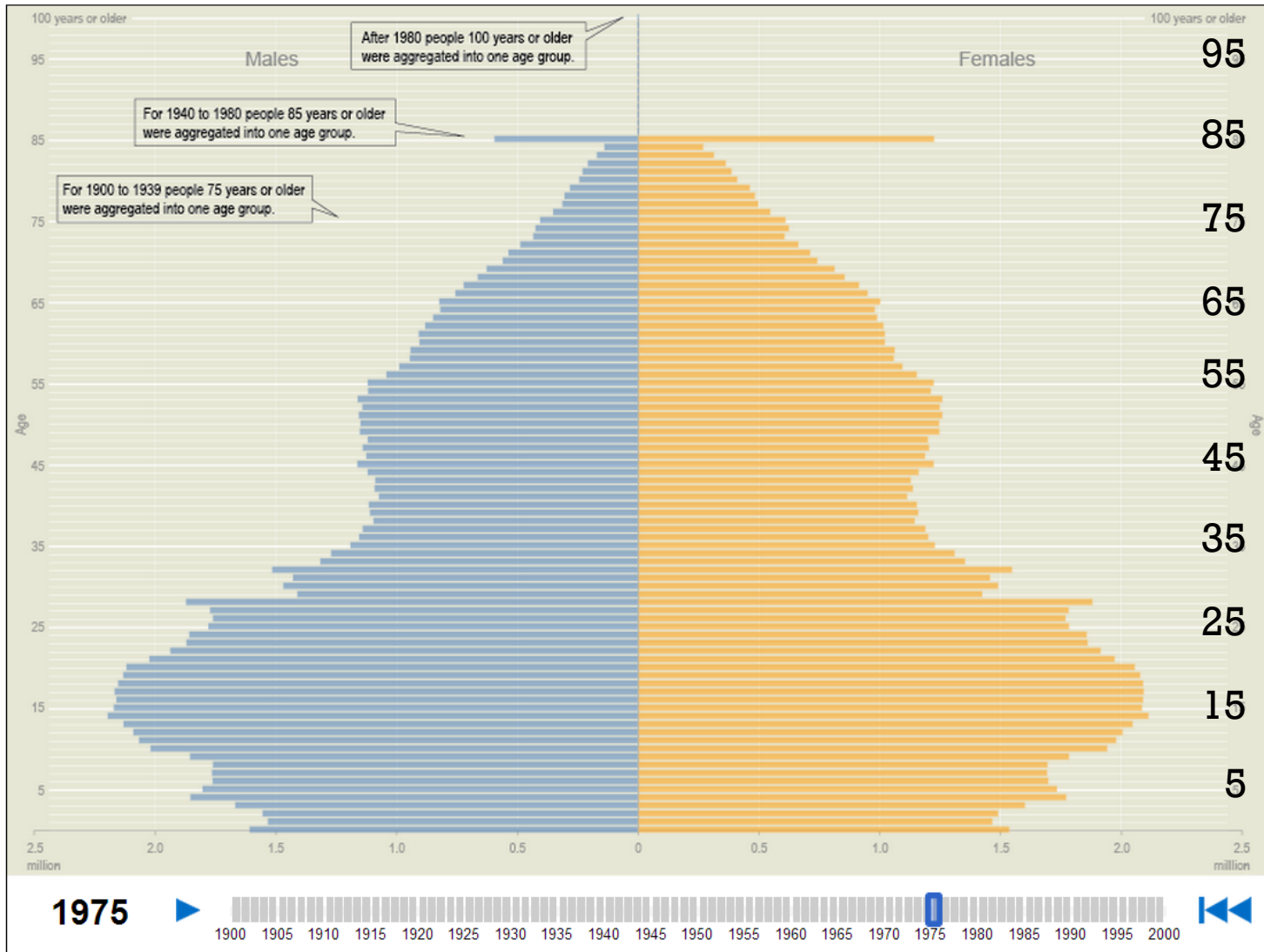


# The nation in 1950



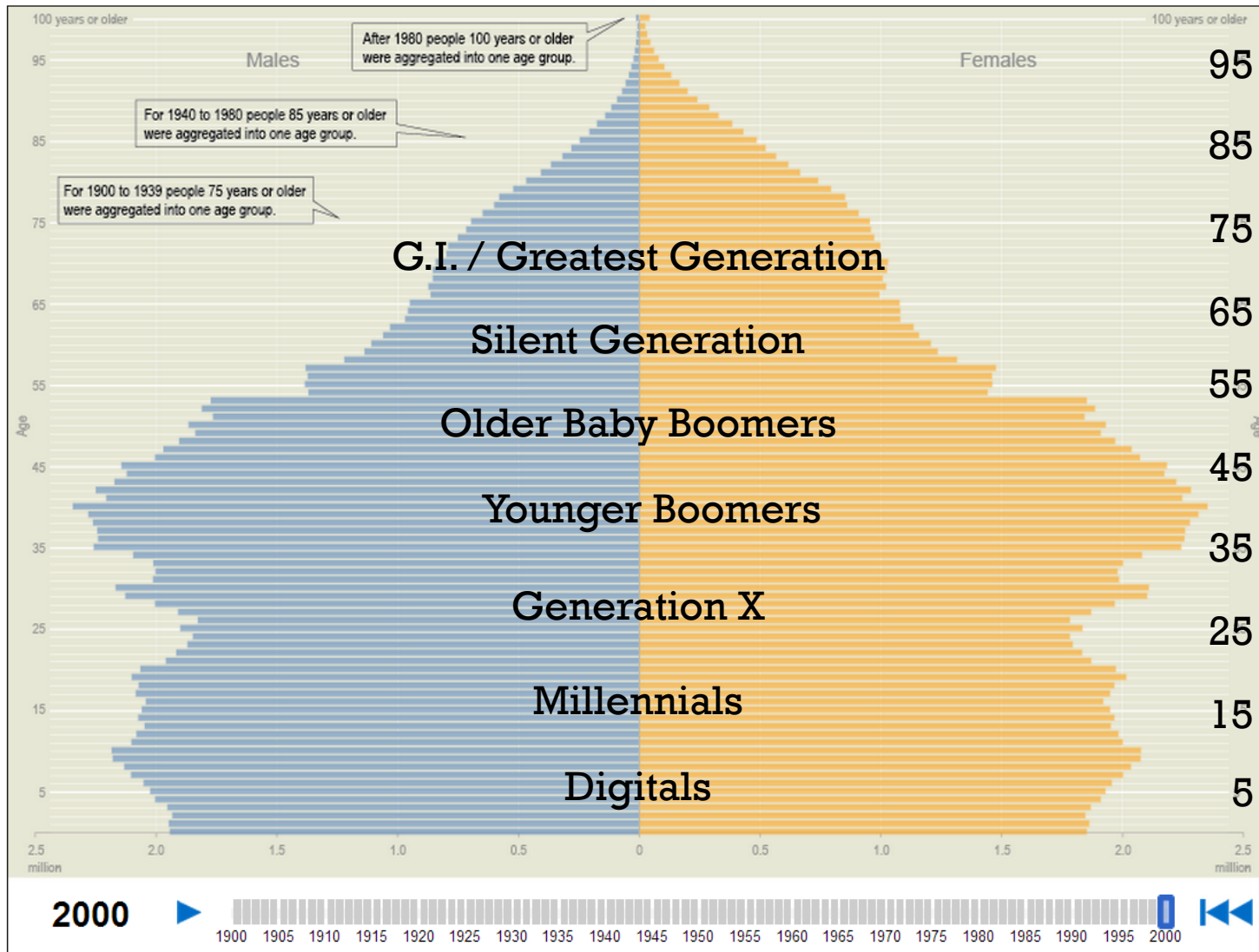


# The nation in 1975





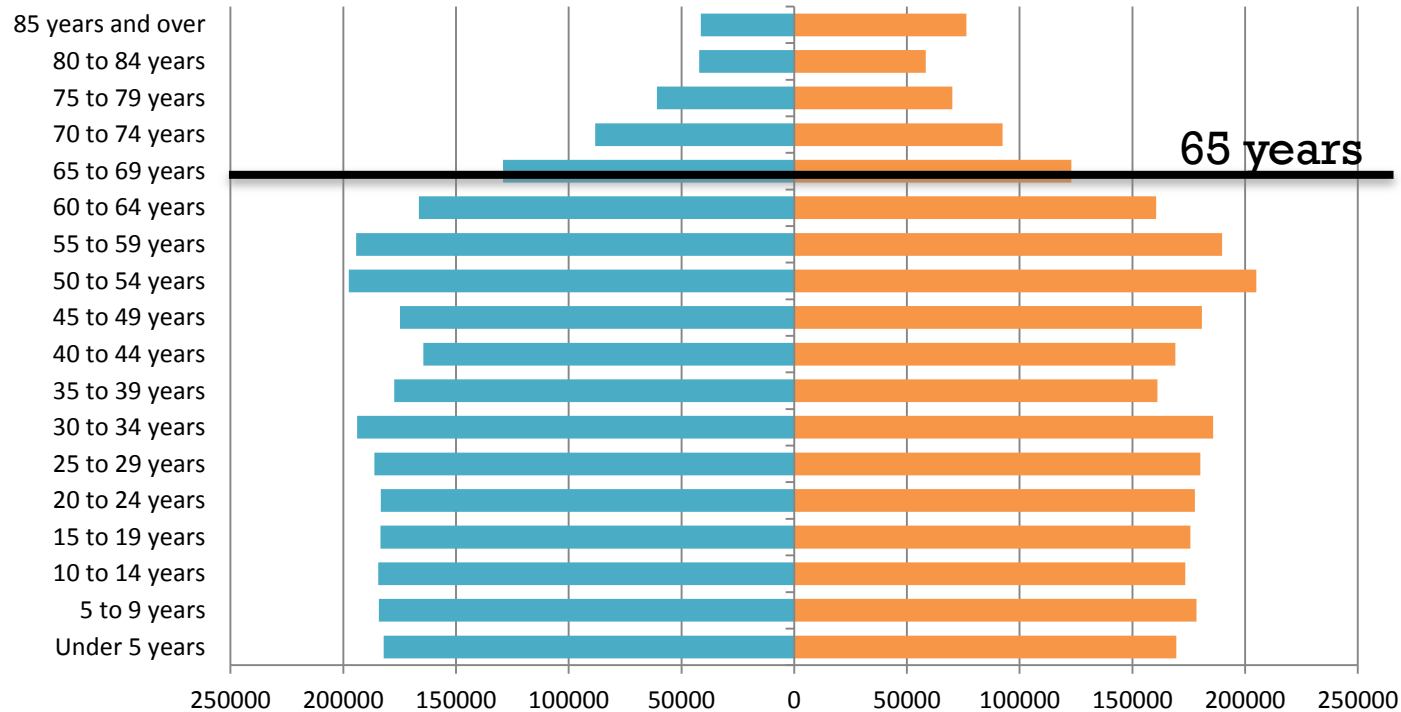
# The nation in 2000





# What Minnesota looks like... this year

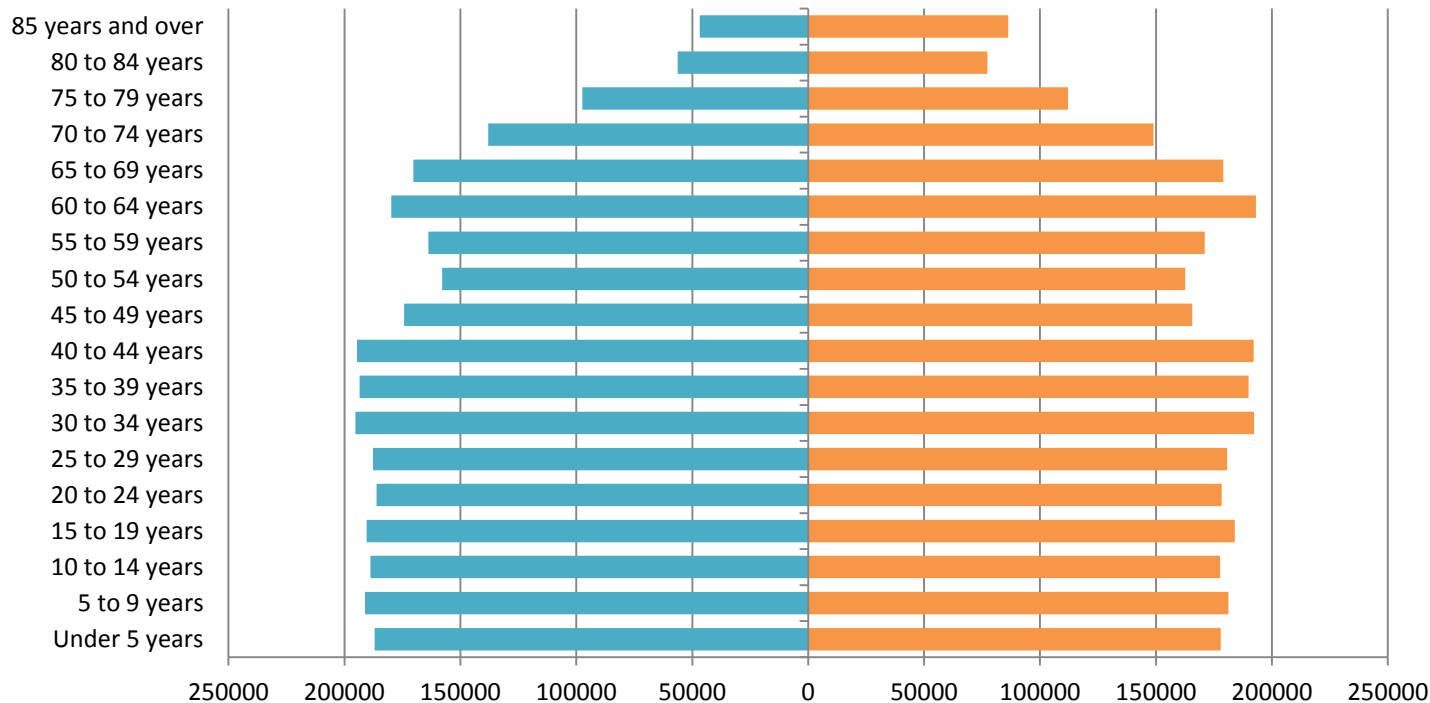
Population by age and sex  
Minnesota, 2015





# What Minnesota will look like... in 10 years

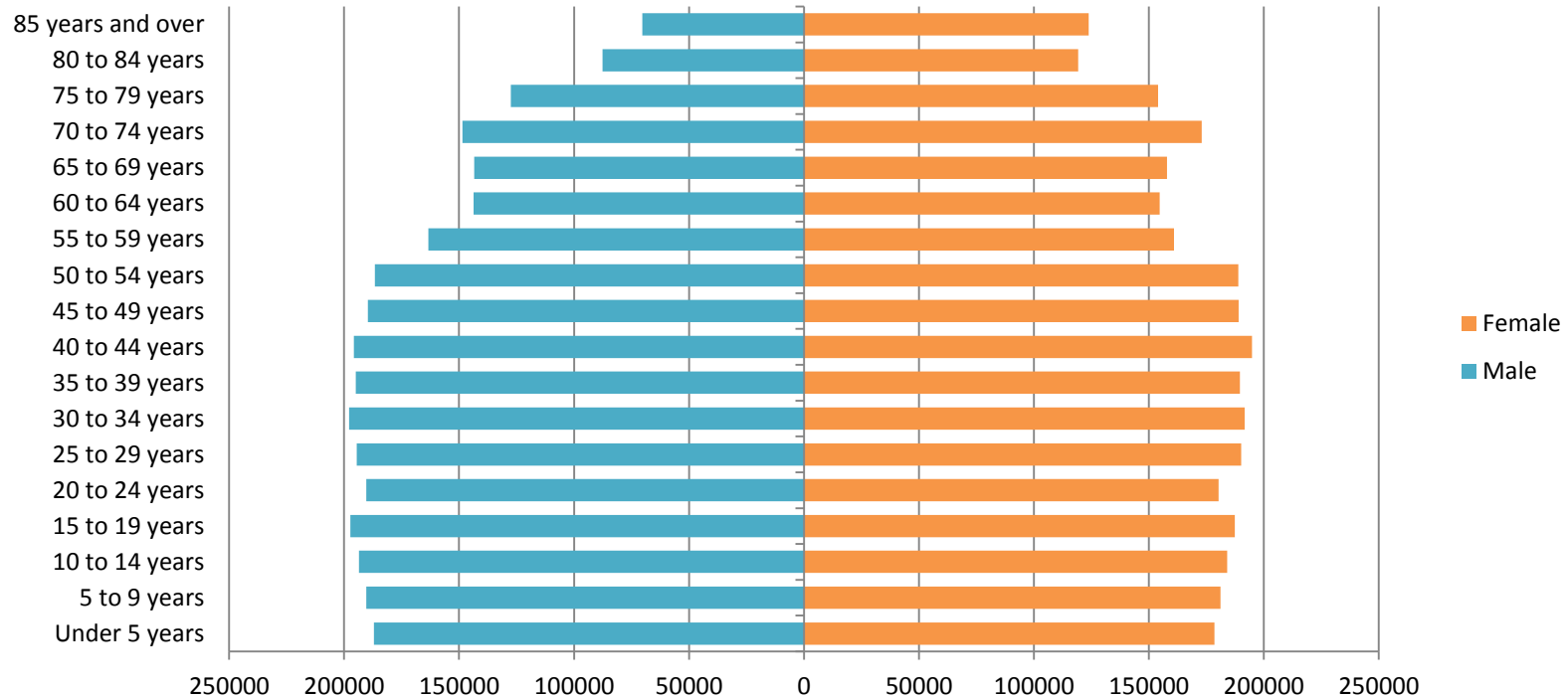
**Population by age and sex**  
Minnesota, 2025





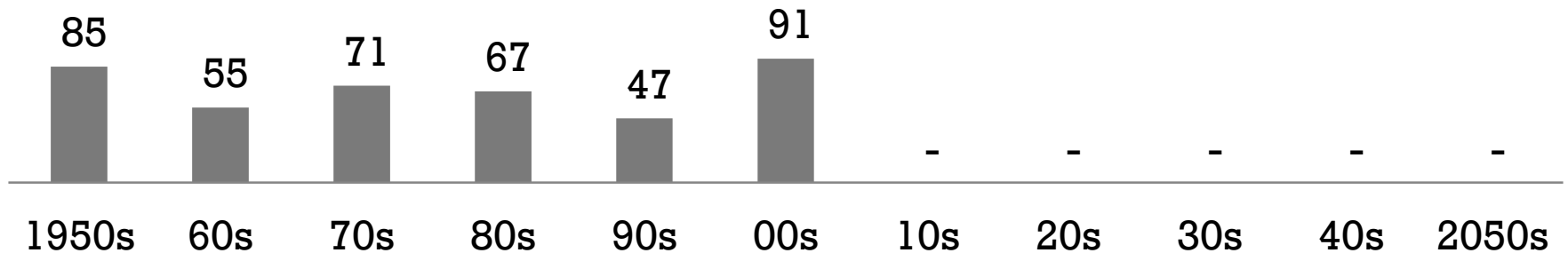
# What Minnesota will look like... in 20 years

**Population by age and sex**  
Minnesota, 2035



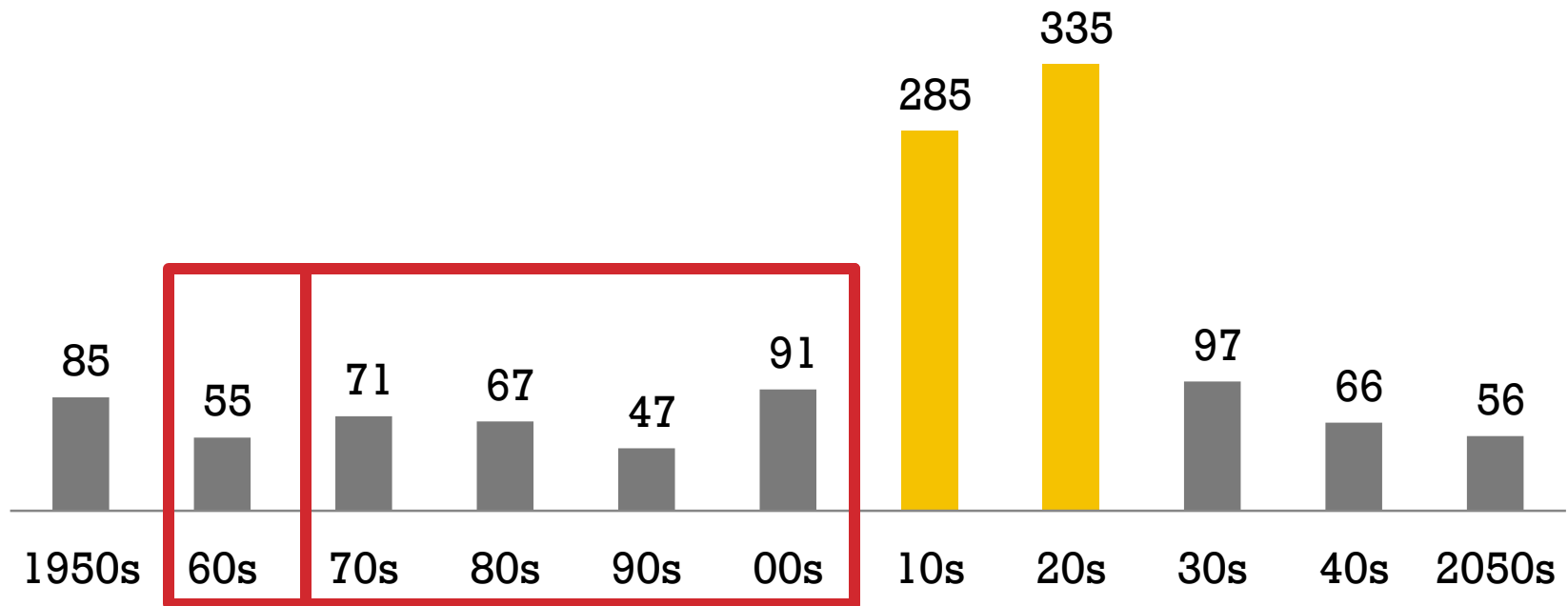
# + How many additional “older adults” will we gain during this decade?

**Change in older adults, age 65+ (Thousands)**



# + This decade and next: *Unprecedented* increases in MN's 65+ population

**Change in older adults, age 65+ (in thousands)**







## QUIZ QUESTION:

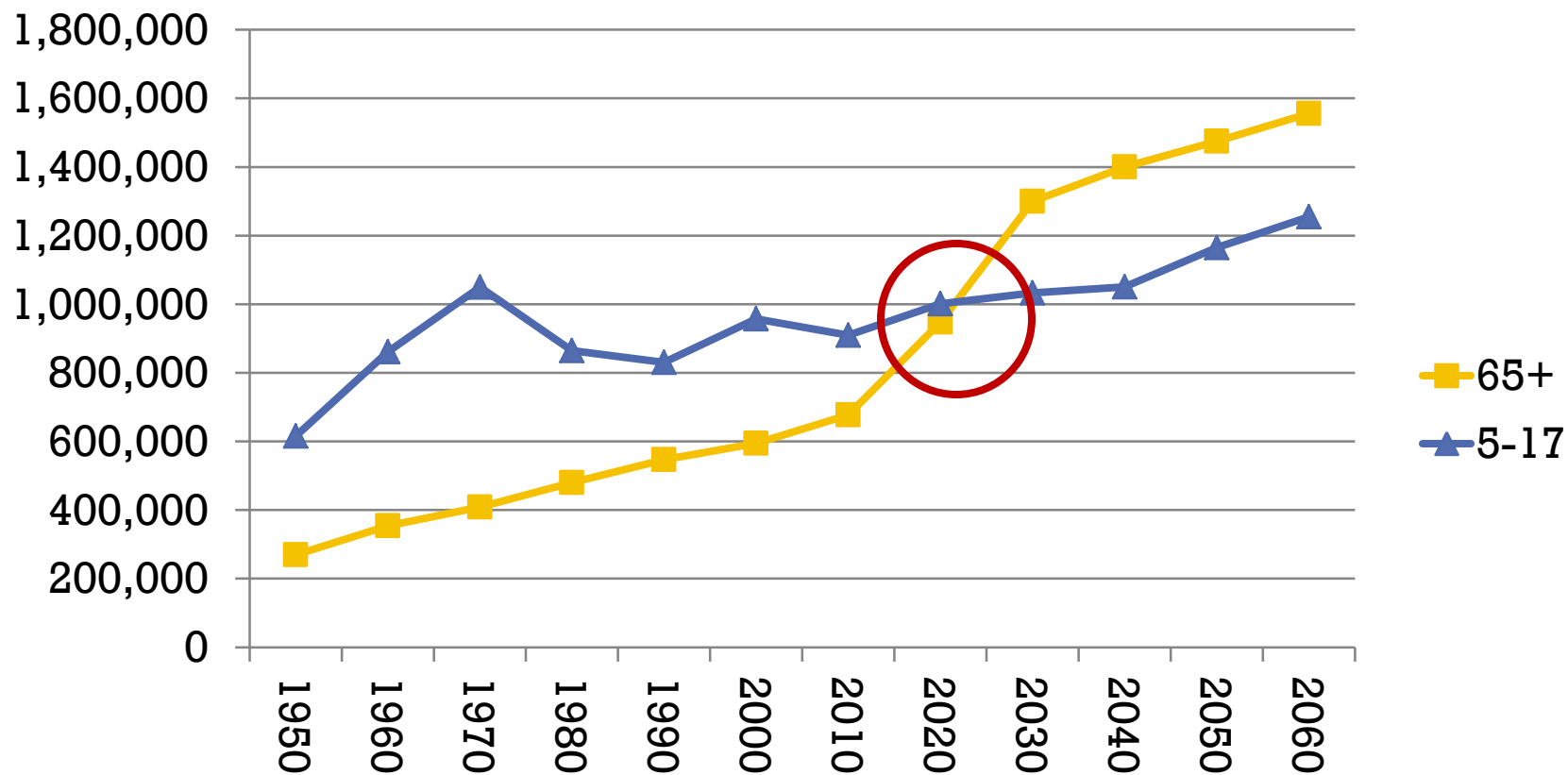


What event is predicted to happen in 2020 that has never before happened in the history of our state?

- A. The Vikings will win the Super Bowl
- B. MN will have more immigrants than U.S.-born residents
- C. MN will have more 65+ residents than school-age children, 5-17

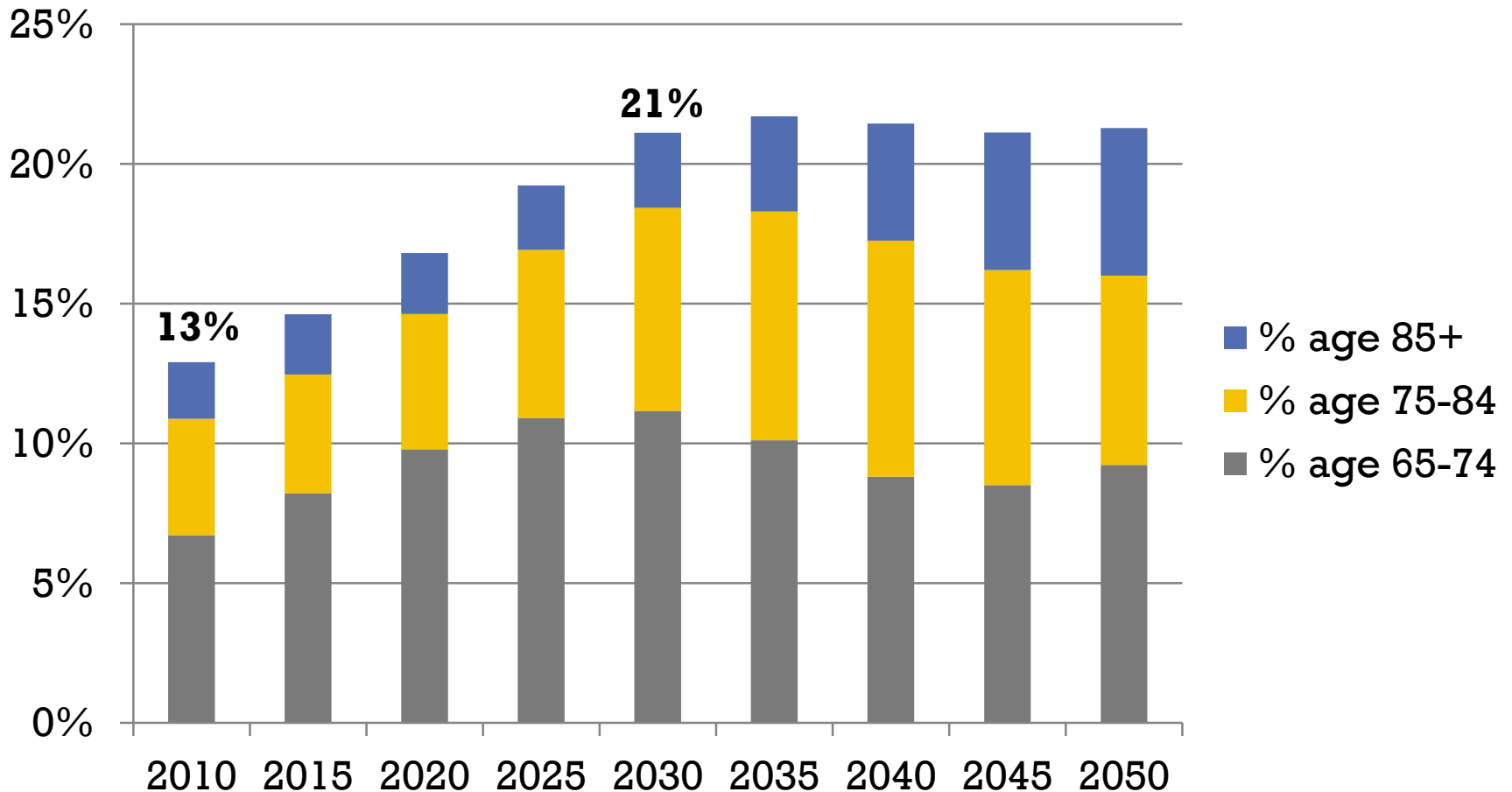


# For the first time in MN history: More 65+ than school-age by 2020





# By 2030, more than 1 in 5 Minnesotans will be 65+, including all Baby Boomers





# Aging: Assets of our older population

- Minnesota's older adults are healthier, living longer, and working longer than prior generations
  - Life expectancy for Minnesotans age 65 now is 20.1 more years (15.6 years in good health)
  - Minnesota's Boomers and older adults volunteer in record numbers, strengthening our communities in countless ways
  - Opportunities to mentor in business and educational settings





# Challenges related to our aging population

---

- Will we have or create sufficient **infrastructure** for more transportation, caregiving, health care, and social support needs, as **health challenges and disabilities increase**, especially when children live far away?
- Will we be able to **finance needed services**, especially long-term care? Private and public medical expenses will increase considerably.
- Will we have the workers to form a strong, skilled, highly **productive labor force** as the Boomers retire — for economic growth, tax revenues for needed services, and maintaining a high quality of life in MN?

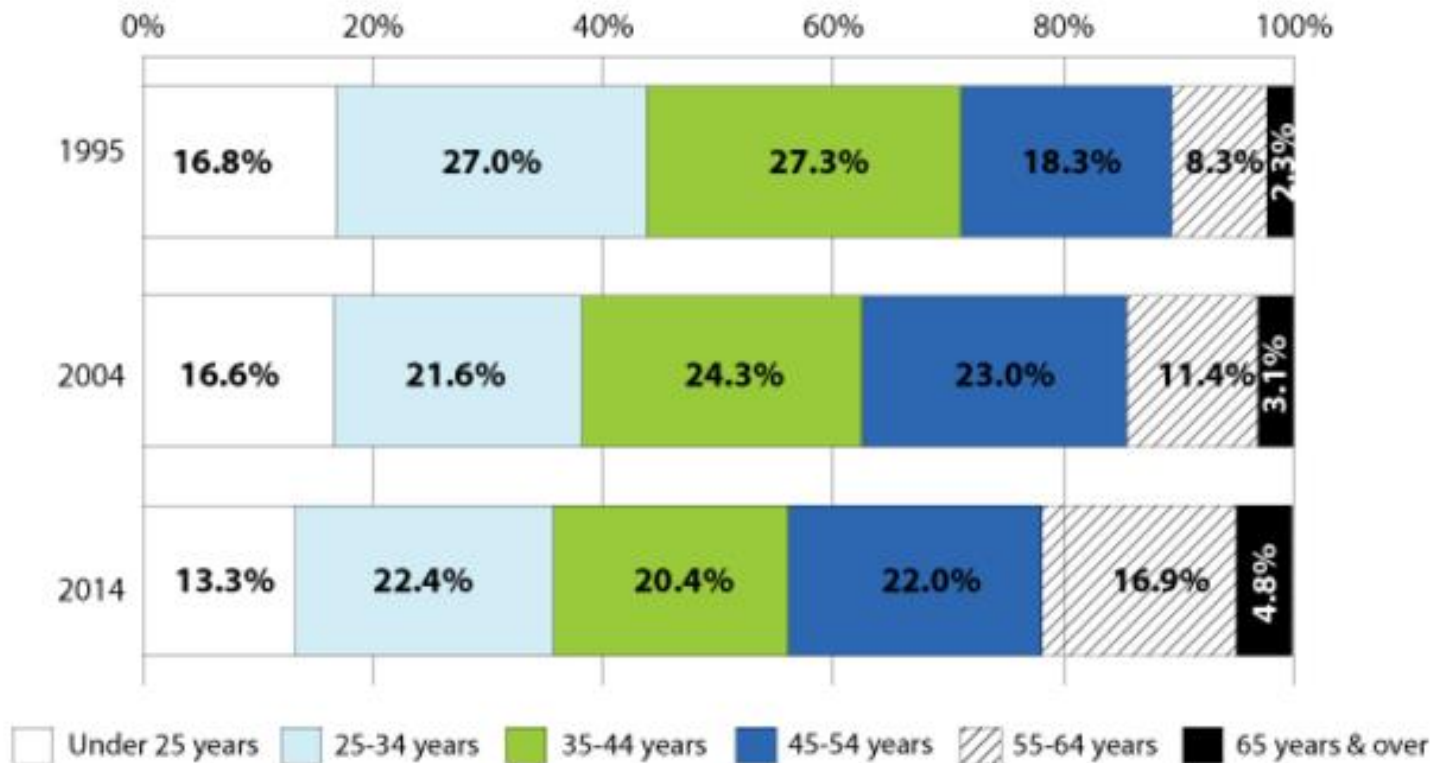


# Workforce Considerations

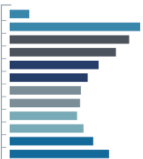


# Minnesota has shifted to an older workforce: 22% were 55+ in 2014

Figure 2: Percent of Minnesota Jobholders by Age Group, 1995-2014



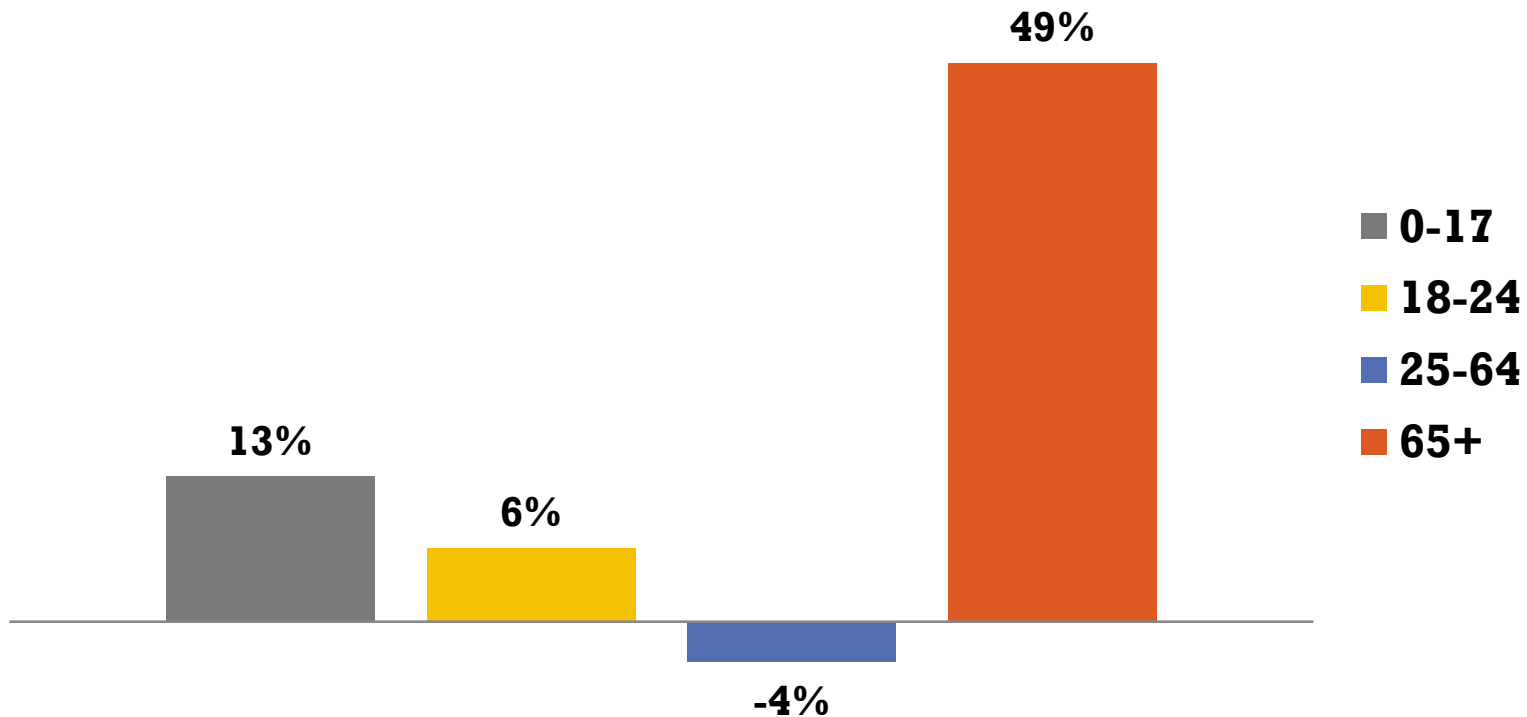
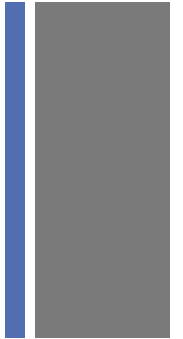
Source: DEED Quarterly Workforce Indicators (QWI)





# Change in MN age groups between 2015 and 2030 (percent)

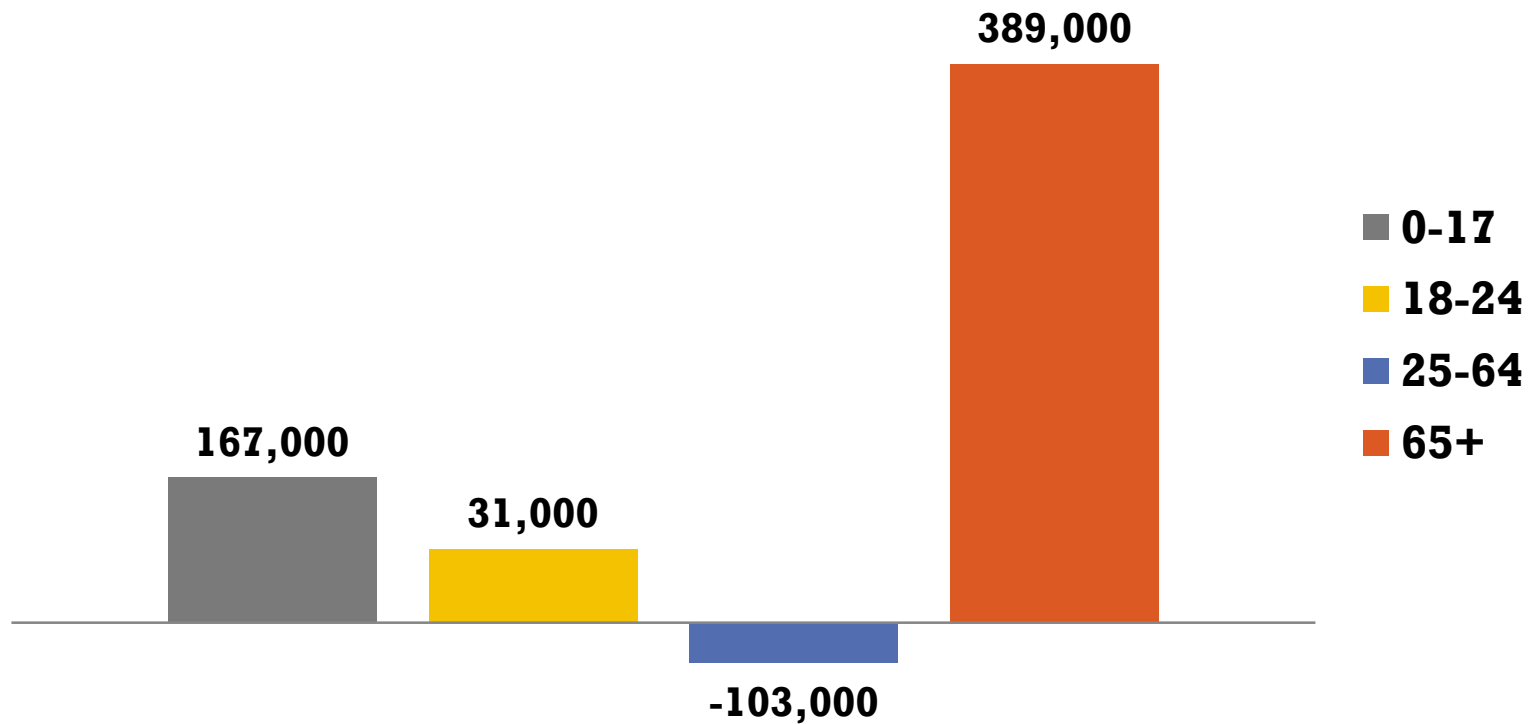
---





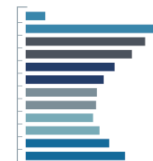
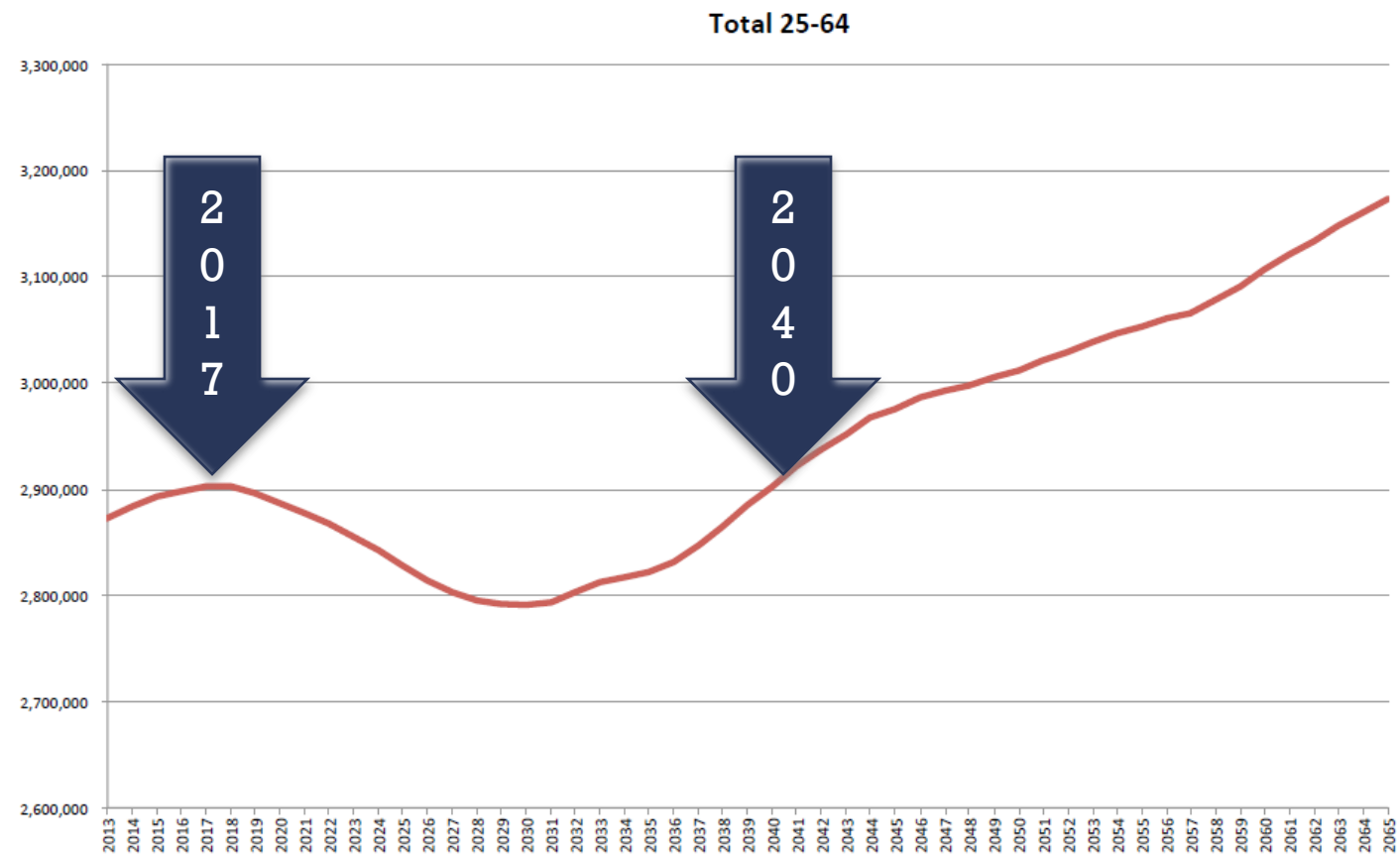


# Change in MN age groups between 2015 and 2030 (people)





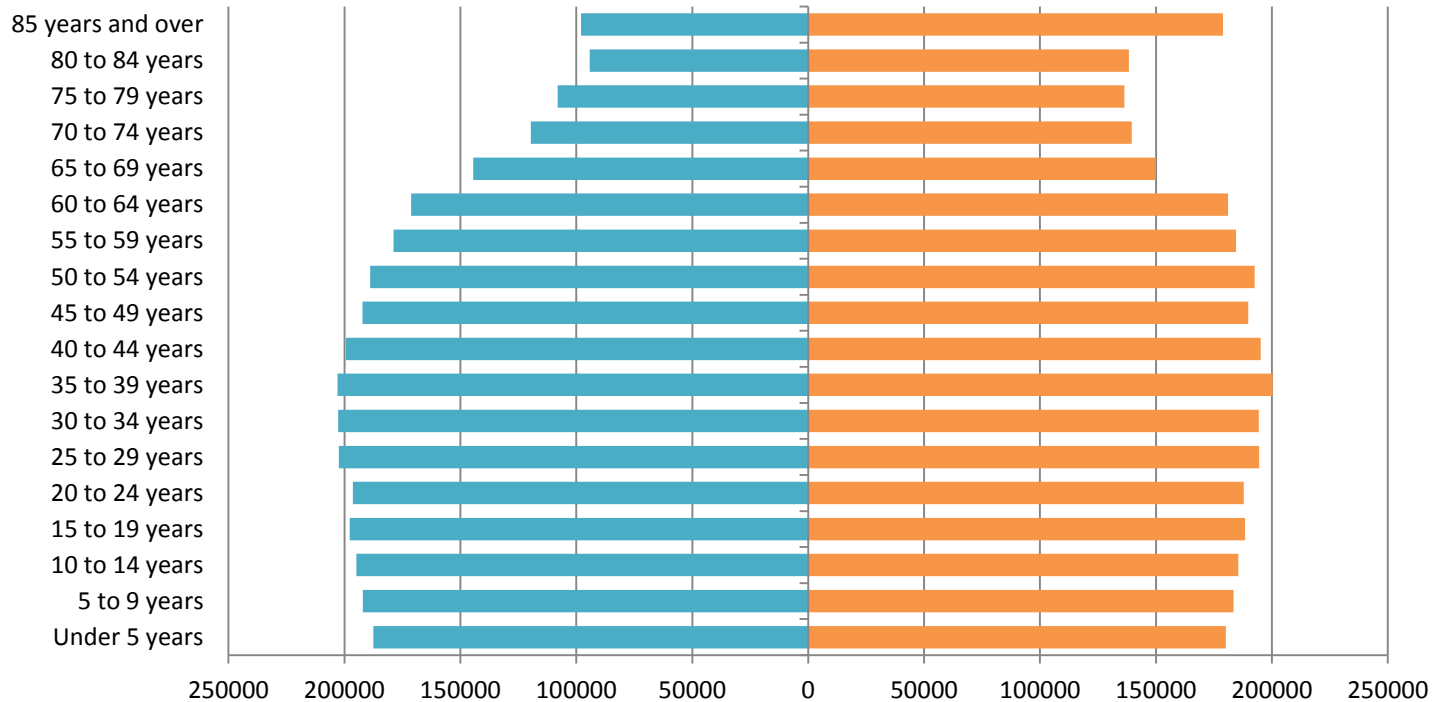
# Total 25- to 64-year-olds in MN will dip by about 100,000 individuals





# What Minnesota will look like... in 30 years

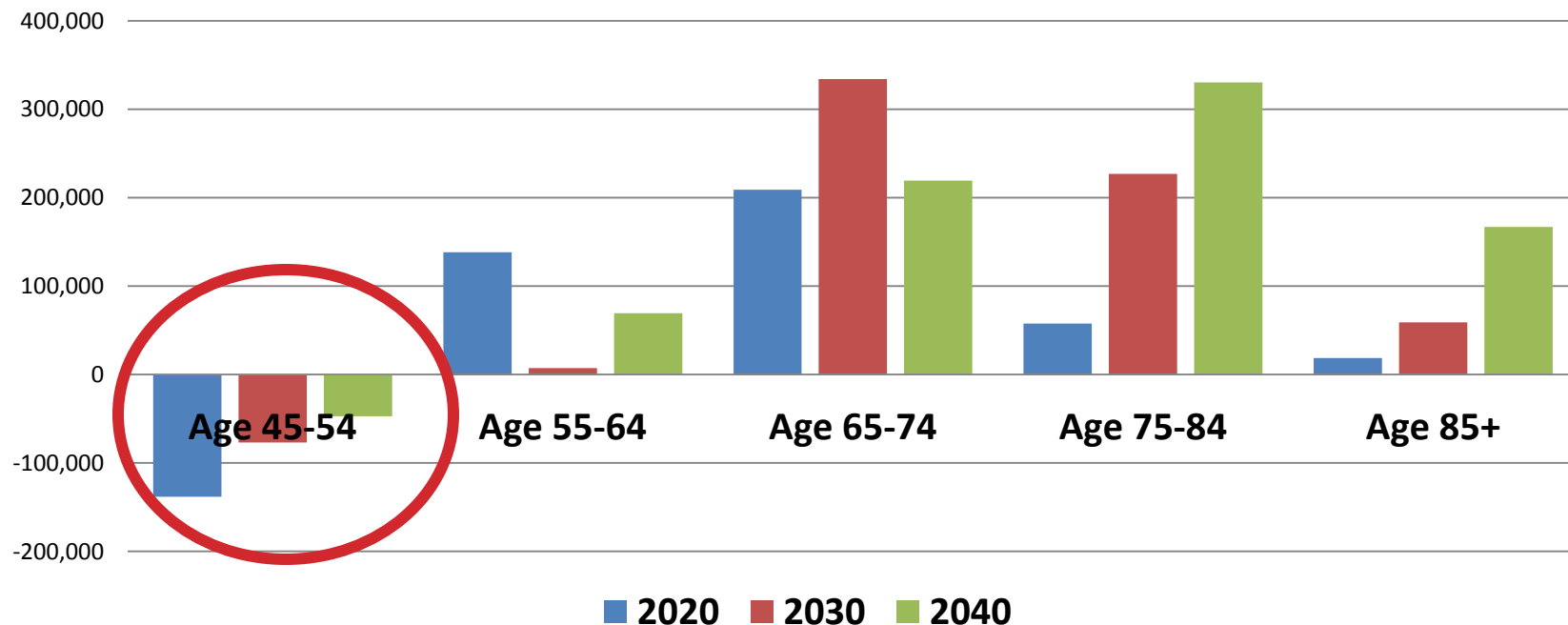
**Population by age and sex**  
Minnesota, 2045





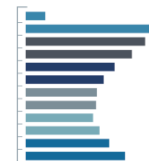
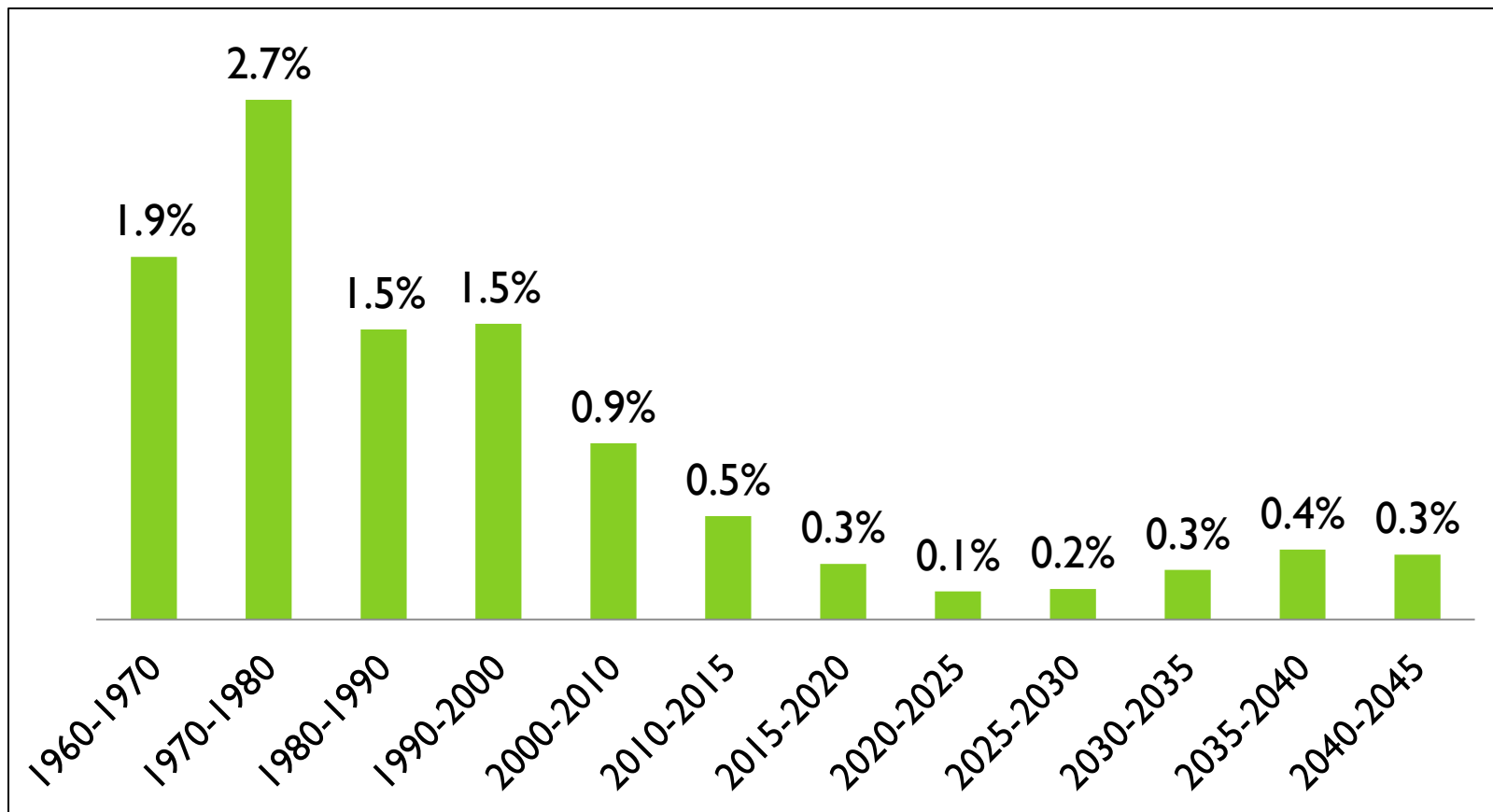
# The coming decades will see dramatic growth in older cohorts

Expected numeric change in people by age cohorts,  
between 2010 and given year, Minnesota





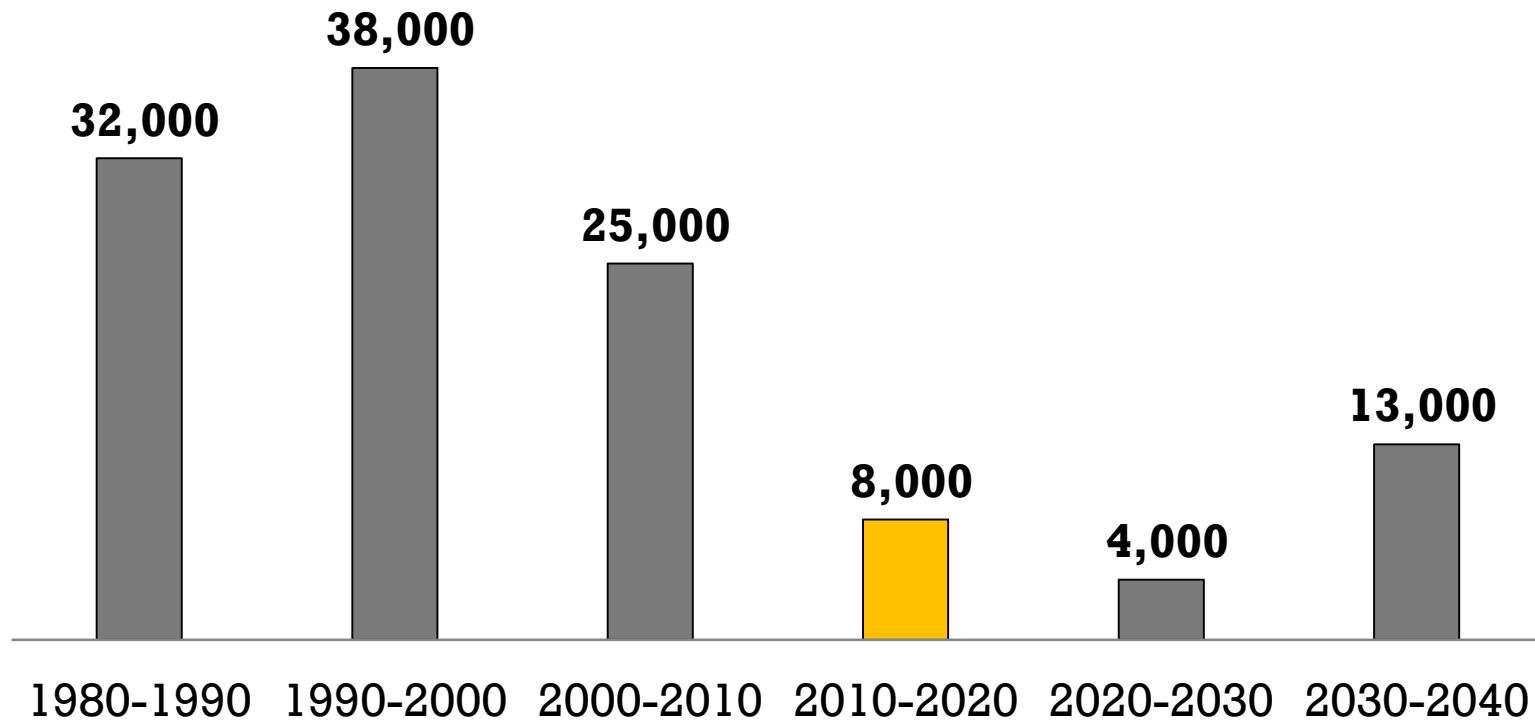
# Labor force growth will continue to slow considerably



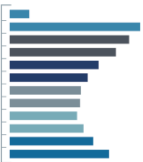


# Projected Growth, MN Labor Force

## Annual Average, Ages 16+



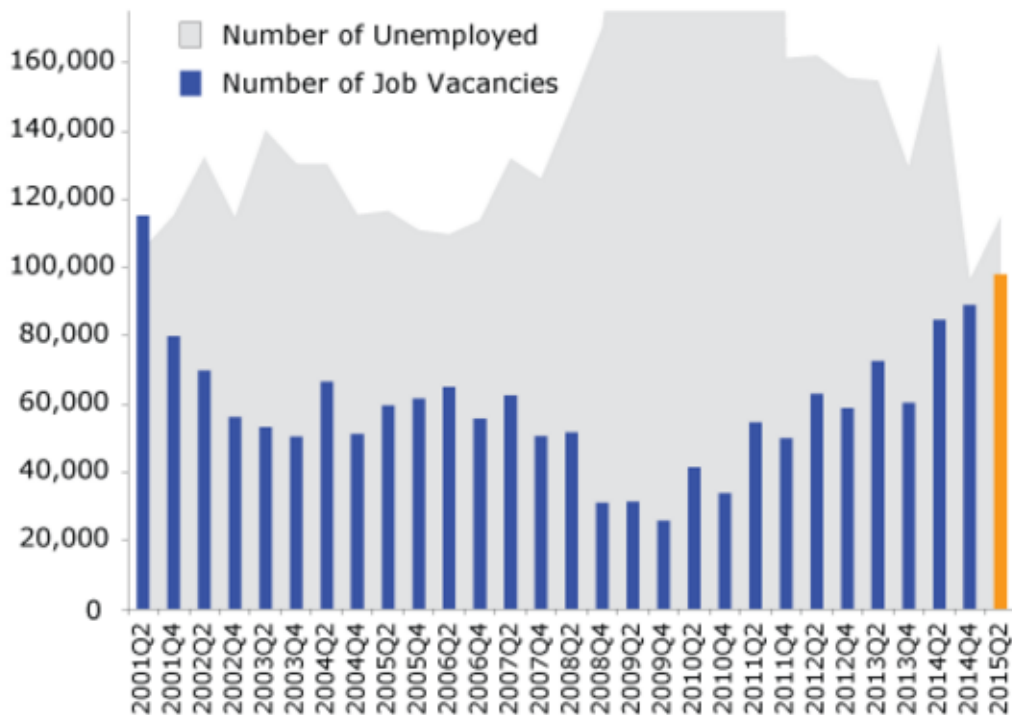
Source: U.S. Census Bureau, Minnesota State Demographic Center Projections



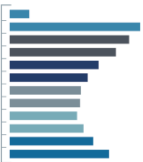


# Ratio of jobs to job seekers is now nearly 1:1

**Figure 1: Minnesota Job Vacancies and Unemployed Workers, 2nd Quarter 2001 to 2nd Quarter 2015**



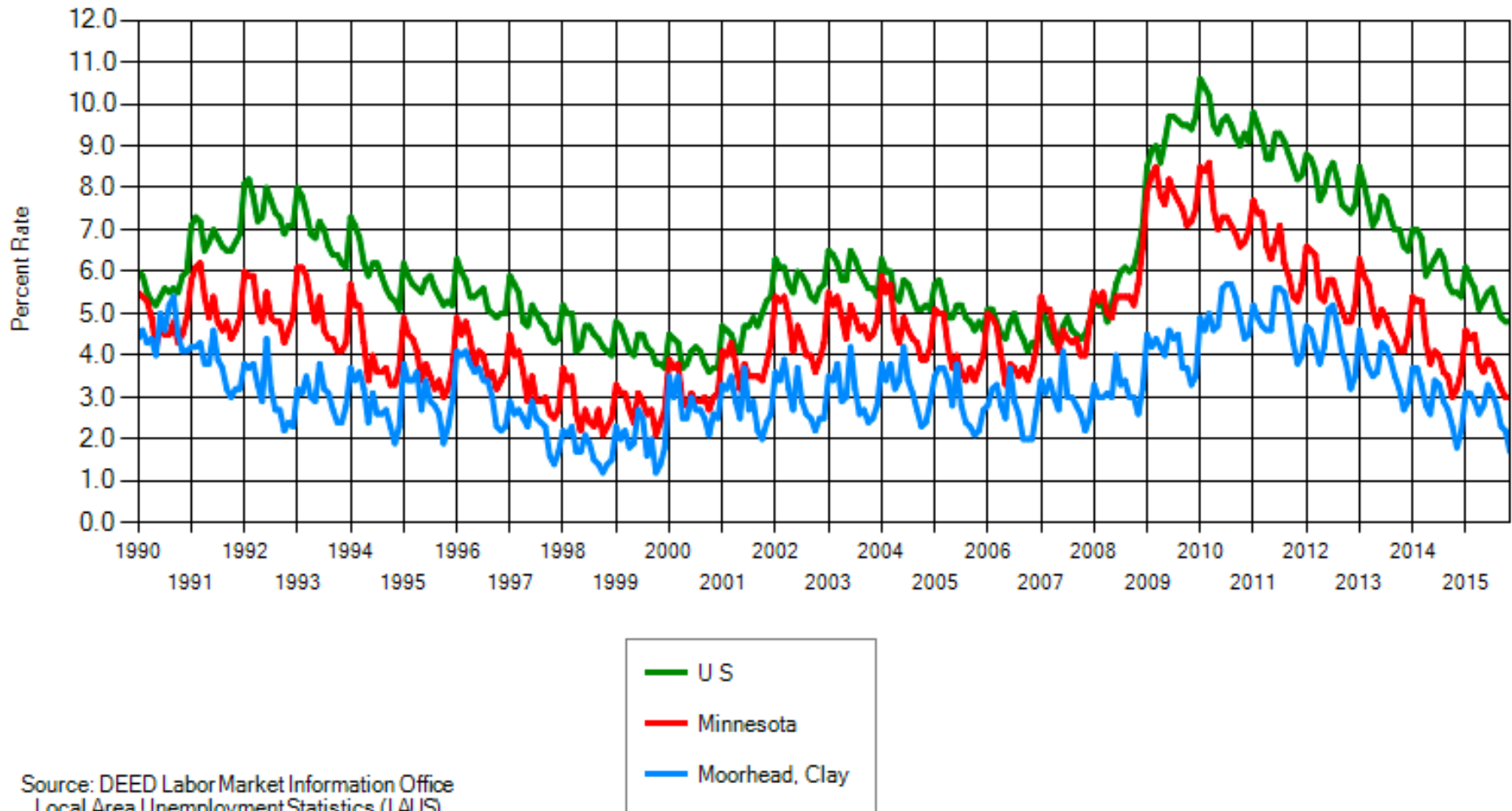
Source: Job Vacancy Survey, MN Department of Employment and Economic Development. <http://mn.gov/deed/data/data-tools/job-vacancy/findings-jvs.jsp>





As of Nov. 2015: Moorhead's unemployment rate was 1.7% (~400 people)

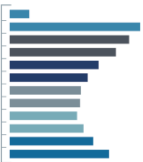
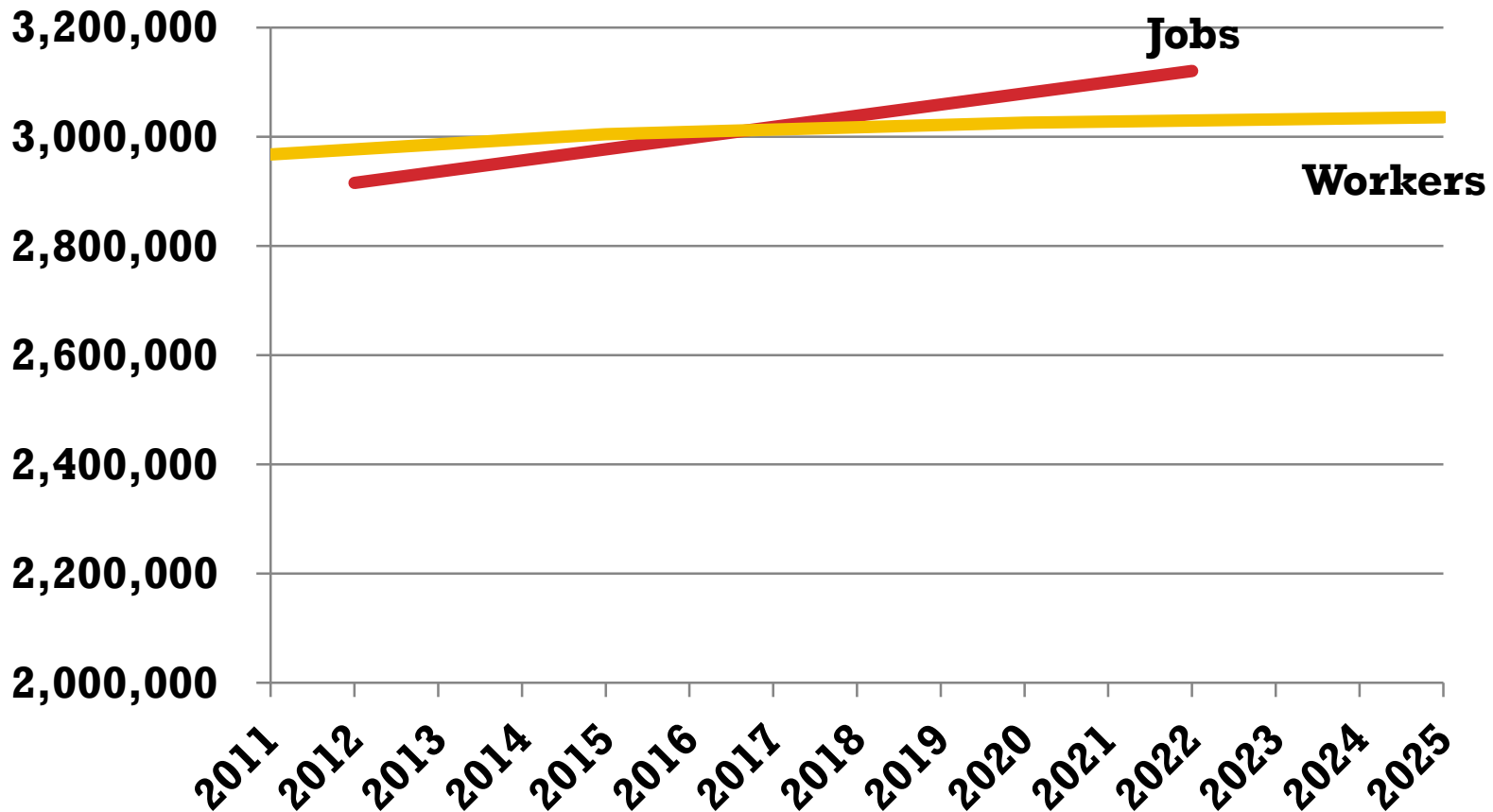
Unemployment Rates







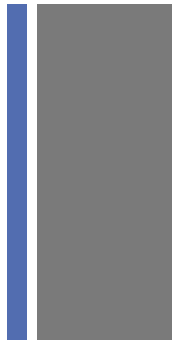
# Projected job growth and projected labor force growth



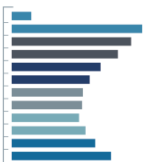


# Opportunities to impact labor force's quality and size

---



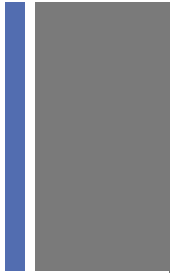
- Grow your own (train, retrain, and retain your own)
- Better alignment of preparation (& retooling)
- Pull (or keep) additional folks in the labor force:
  - Older workers
  - People with disabilities
  - Parents, especially mothers
  - Discouraged workers
  - People with less education/skills that align poorly with available jobs
- Attract new workers (domestic, int'l migration)



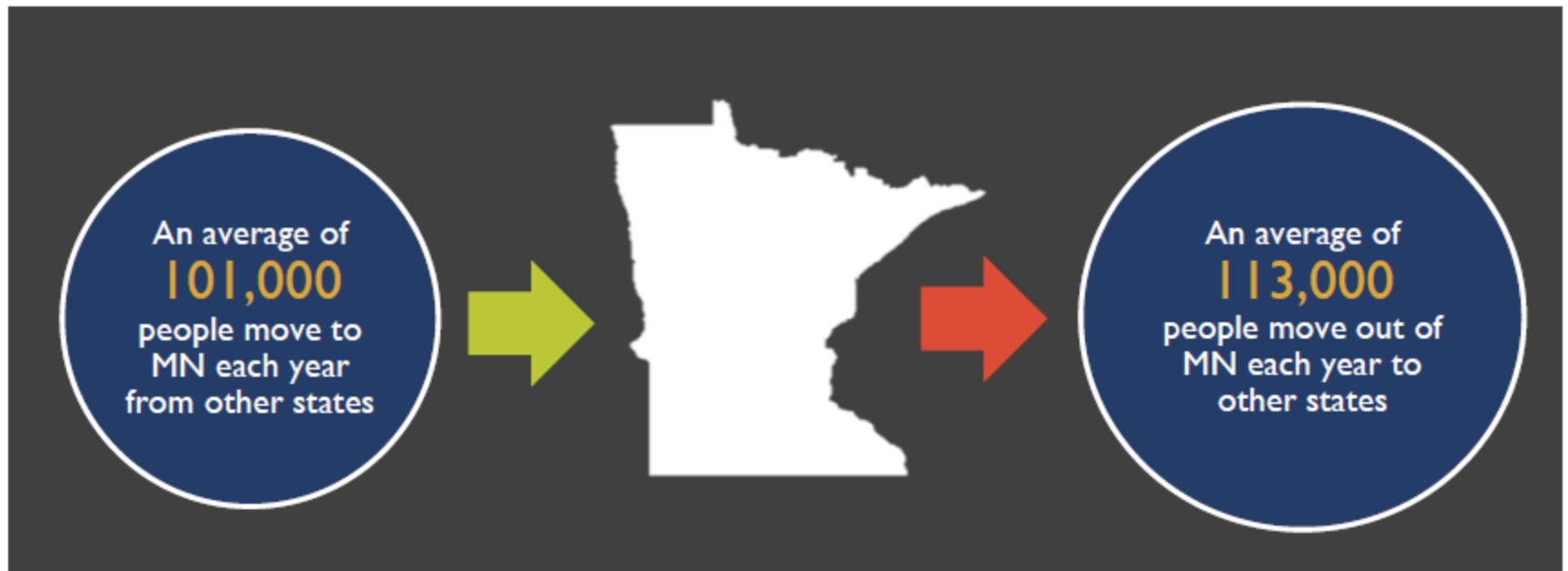
# Migration Trends



See our “Minnesota on the Move” special report on migration –  
<http://mn.gov/admin/images/mn-on-the-move-migration-report-msdc-jan2015.pdf>



**Figure 8: Minnesota's Annual Average Domestic Migration Flows, 2008-2012**

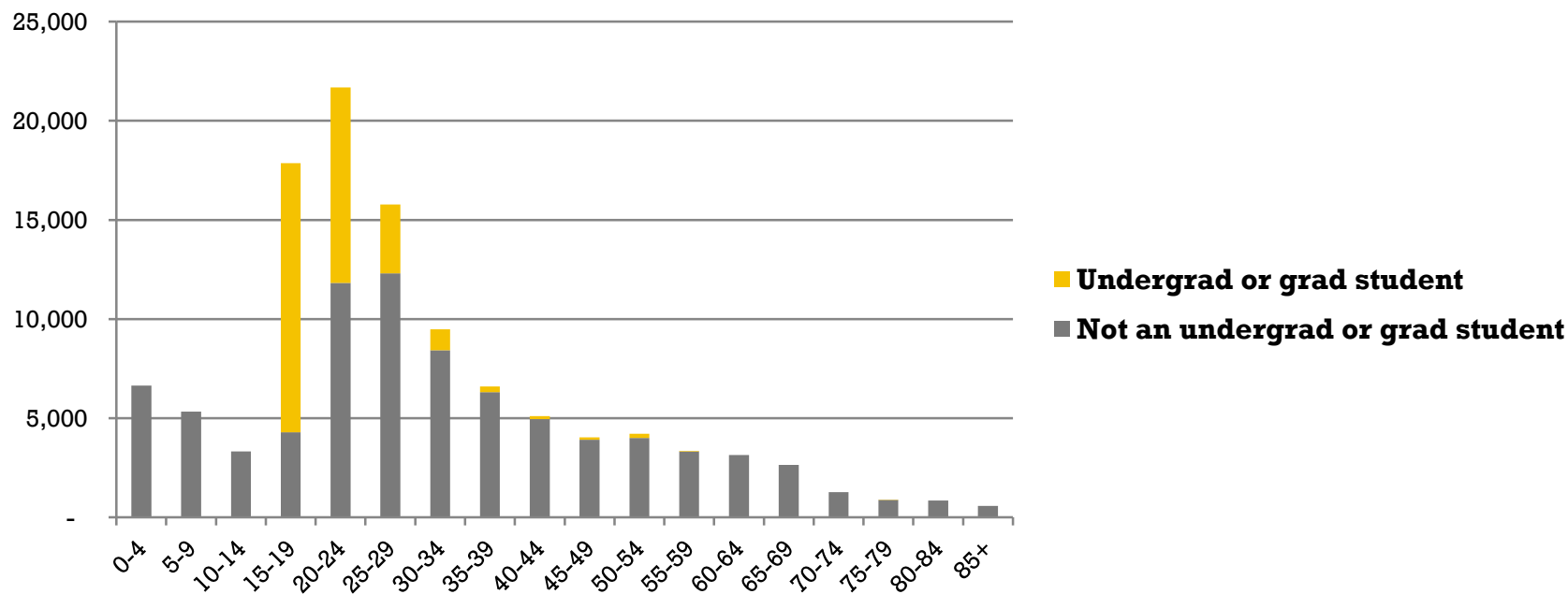


Source: IPUMS version of U.S. Census Bureau's 2008-2012 American Community Survey. Tabulations by MN State Demographic Center.



# MN out-migrants are concentrated among those in late teens and 20s

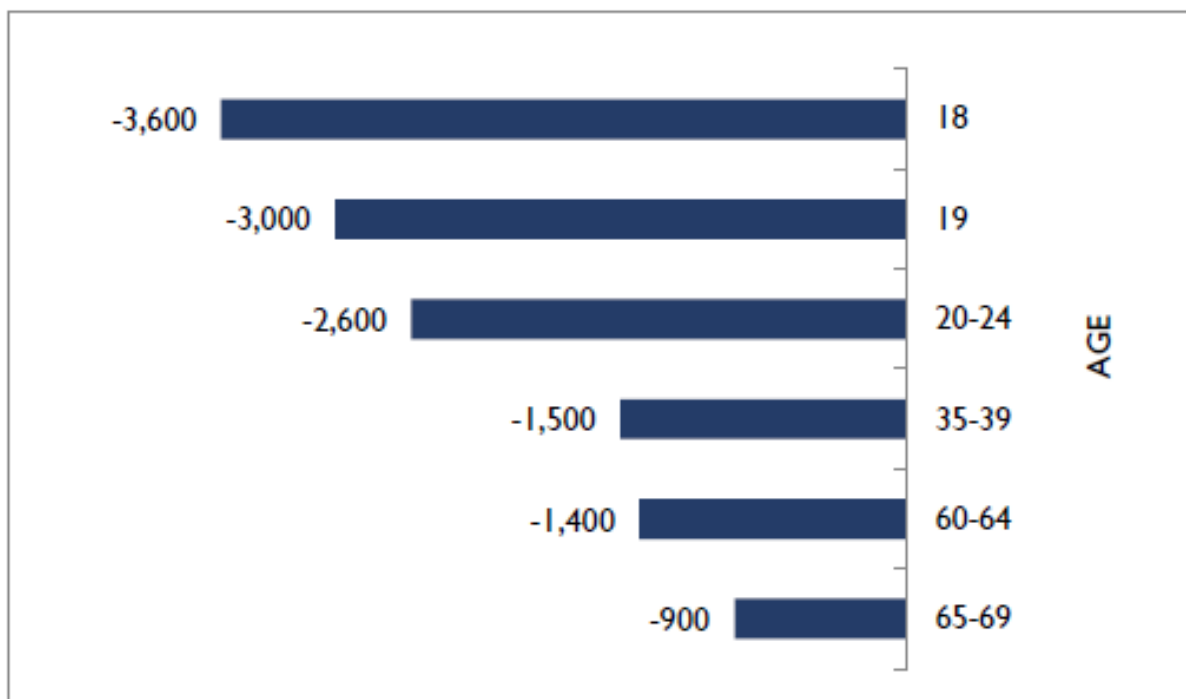
**Annual leavers from Minnesota, by age group and student status, 2008-2012**





# Age groups with net losses from domestic migration, 2008-2012

**Figure 13: Age Groups With Net Losses From Migration To Other States, By Average Annual Number Of People Lost, Minnesota, 2008-2012**

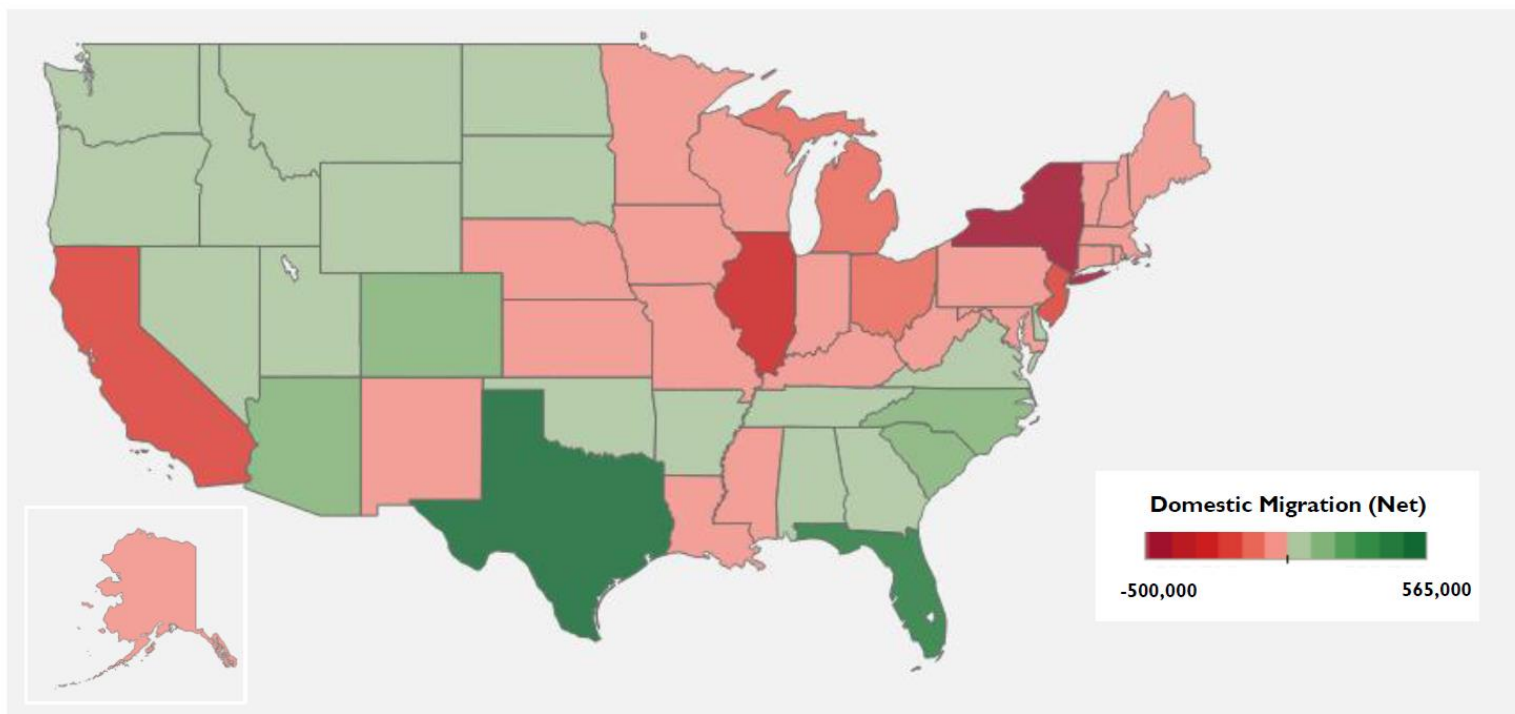


Source: IPUMS version of U.S. Census Bureau's 2008-2012 American Community Survey. Tabulations by MN State Demographic Center.



# Domestic net migration, by state, since 2010 census

**Figure 6: Domestic Net Migration, By State, April 1, 2010 – July 1, 2014**



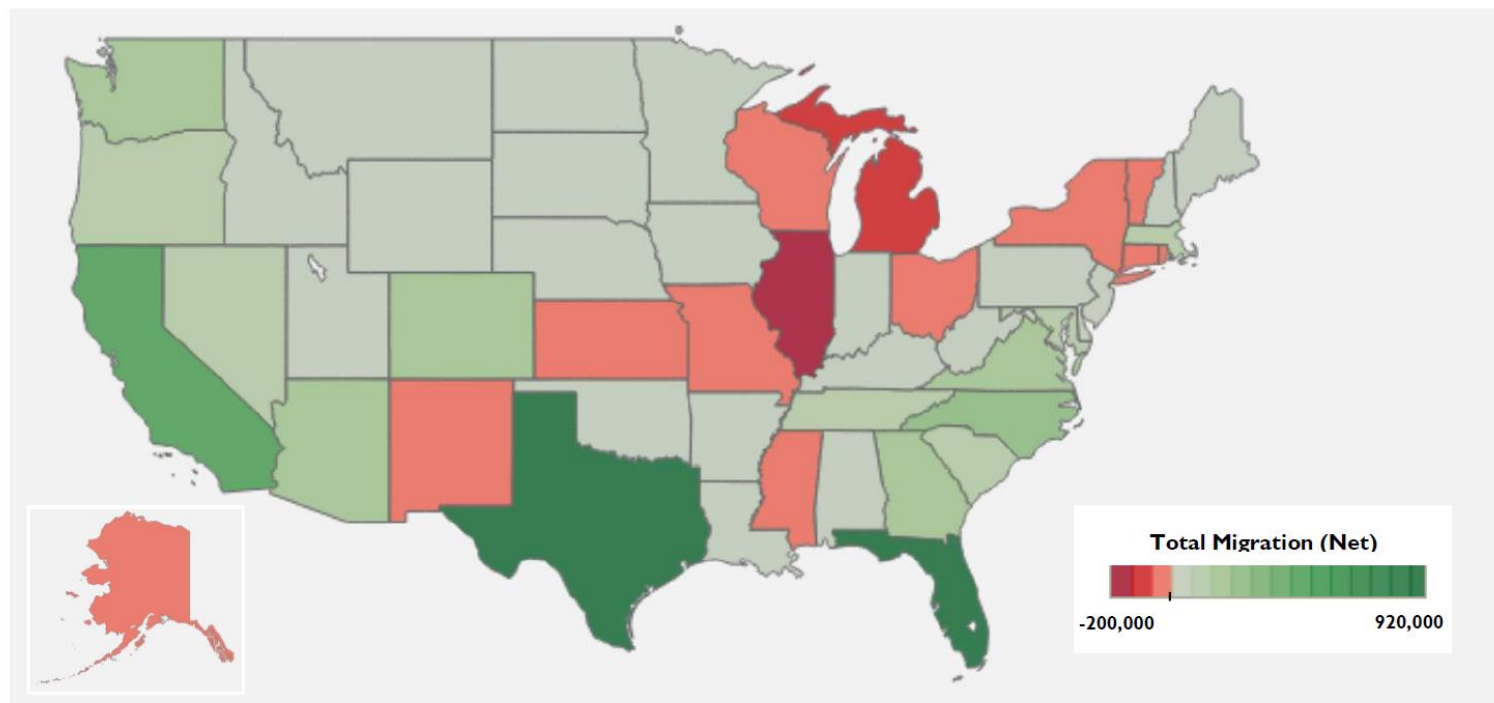
Source: U.S. Census Bureau, 2014 Population Estimates. Note: Domestic plus international figures may not equal totals due to rounding and a "residual," the result of controlling county populations to the national population for the entire set of estimates.

For interactive map online, see: [https://public.tableausoftware.com/views/MigrationReportMapping/DomesticMigrationNet?:embed=y&:display\\_count=no](https://public.tableausoftware.com/views/MigrationReportMapping/DomesticMigrationNet?:embed=y&:display_count=no)



# Total net migration, by state, since 2010 census

**Figure 5: Total Net Migration, By State, April 1, 2010 – July 1, 2014**



Source: U.S. Census Bureau, 2014 Population Estimates. Note: Domestic plus international figures may not equal totals due to rounding and a "residual," the result of controlling county populations to the national population for the entire set of estimates.

For interactive map online, see: [https://public.tableausoftware.com/views/MigrationReportMapping/TotalMigrationNet?:embed=y&display\\_count=no](https://public.tableausoftware.com/views/MigrationReportMapping/TotalMigrationNet?:embed=y&display_count=no)





# Twin Cities metro area 5<sup>th</sup> highest for % of young & educated

## Percent (age 25-34) with a bachelor's degree or higher Rank of metropolitan areas, 2014

Rank	Top 25 largest metropolitan areas (1=highest)	2014
1	Boston, MA-NH	55.9%
2	Washington, DC-VA-MD-WV	52.9%
3	San Francisco, CA	52.4%
4	New York, NY-NJ-PA	46.6%
5	<b>Minneapolis-St. Paul, MN-WI (16-county)</b>	45.1%
6	Pittsburgh, PA	44.9%
7	Baltimore, MD	43.5%
8	Chicago, IL-IN-WI	43.5%
9	Denver, CO	42.8%
10	Seattle, WA	42.3%

# Which states attract? Which states retain?

## Age 25-29 population

HOT & COLD STATES					
RETAIN		ATTRACT			
		1Q	2Q	3Q	4Q
	1Q	ND	SD, KS	MT	ID, WY, AK, NV
	2Q	IA, WV	NE, ME, NY, RI	HI, VT, NM, NJ	DE, NH, CO
	3Q	LA, MS, IN, MO	IL, MA, AL, OK	CT, VA	MD, WA, OR, FL, AZ
	4Q	MI, OH, PA, WI, KY, AL, MN	TN, SC, UT	NC, TX, GA, CA	HOLY GRAIL

Source: Lifetime Migration in the United States as of 2006-2010, Hermalin and Neidert, 2014.



# Business and workforce attraction efforts

GREATER MSP™

Minneapolis Saint Paul Regional Economic Development Partnership

DOING BUSINESS HERE

16 COUNTY METRO

KEY INDUSTRIES

LIVING HERE

MAKE IT. MSP.

ABOUT US



Affordable Utilities

Demographics

Workforce

Major Employers

Infrastructure

Taxes

Incentives

Property Search

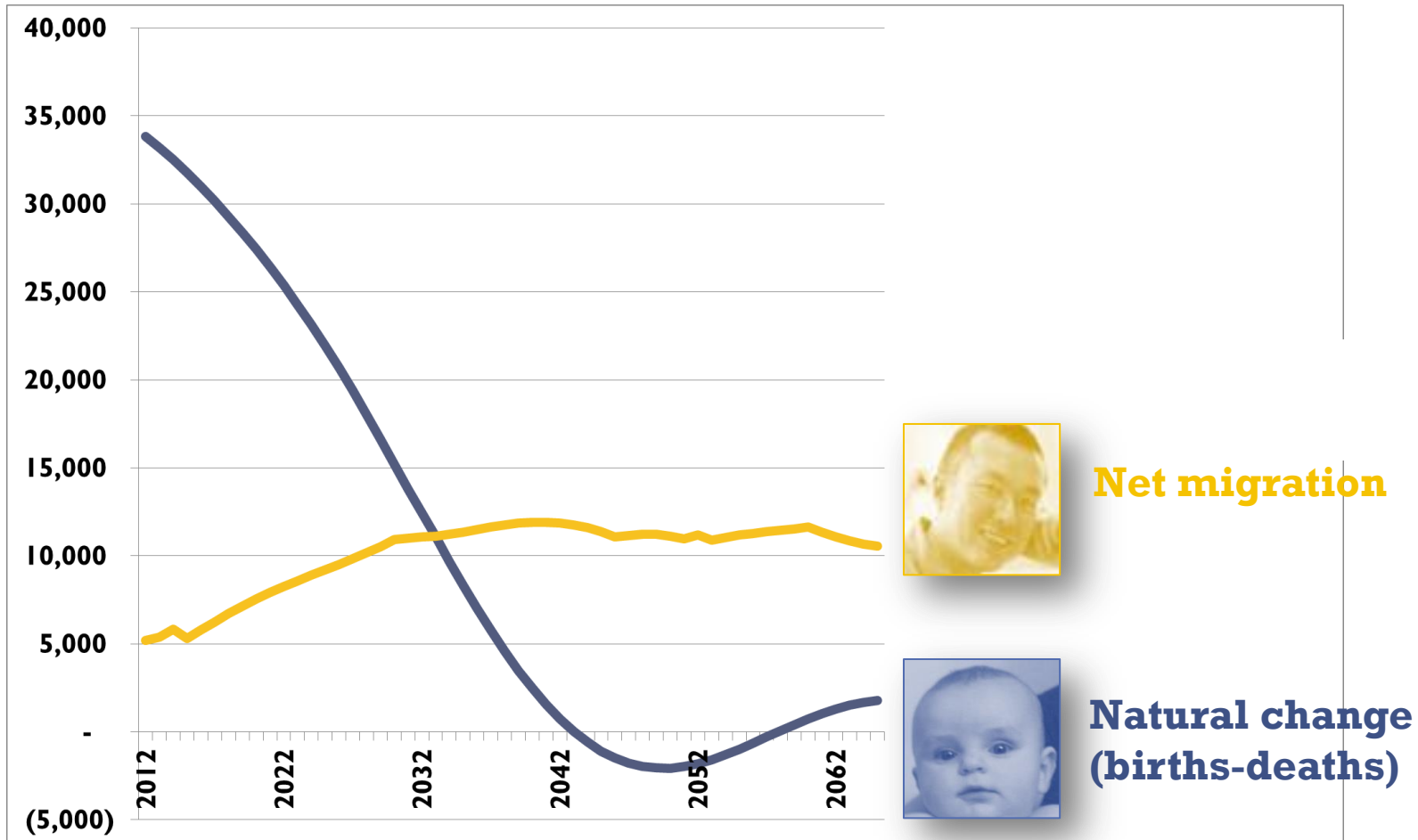
## *Affordable Utilities*

Minnesota is one of very few states to exempt energy used in the manufacturing process from sales tax. The exemption includes natural gas, electricity and other utilities, providing bottom-line savings to heavy energy users.

*Greater MSP offers significantly lower natural gas, electricity and water service rates*



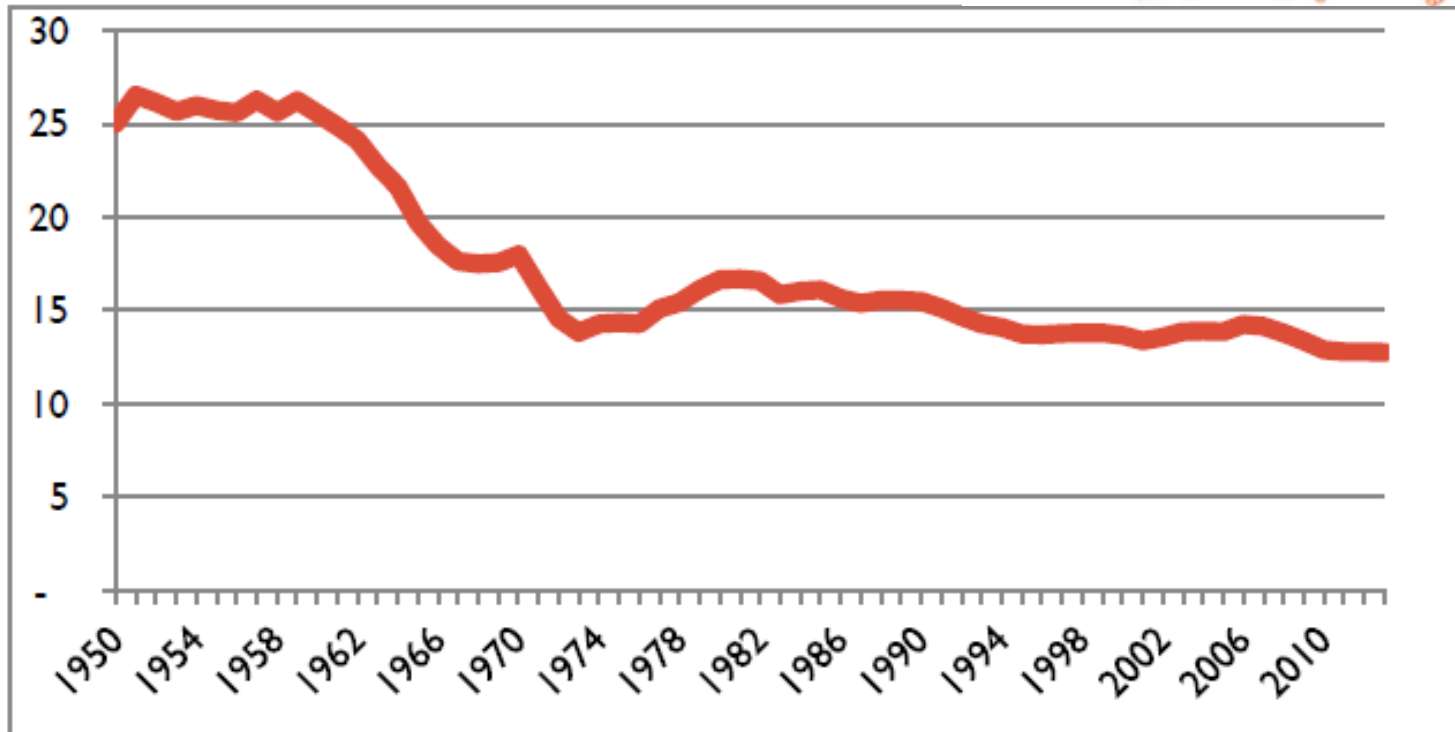
# Net migration will become the major driver of our state's growth





# Minnesotans not as fond of making babies as they were in the past

**Figure 3: Births Per 1,000 Minnesotans, 1950-2013**

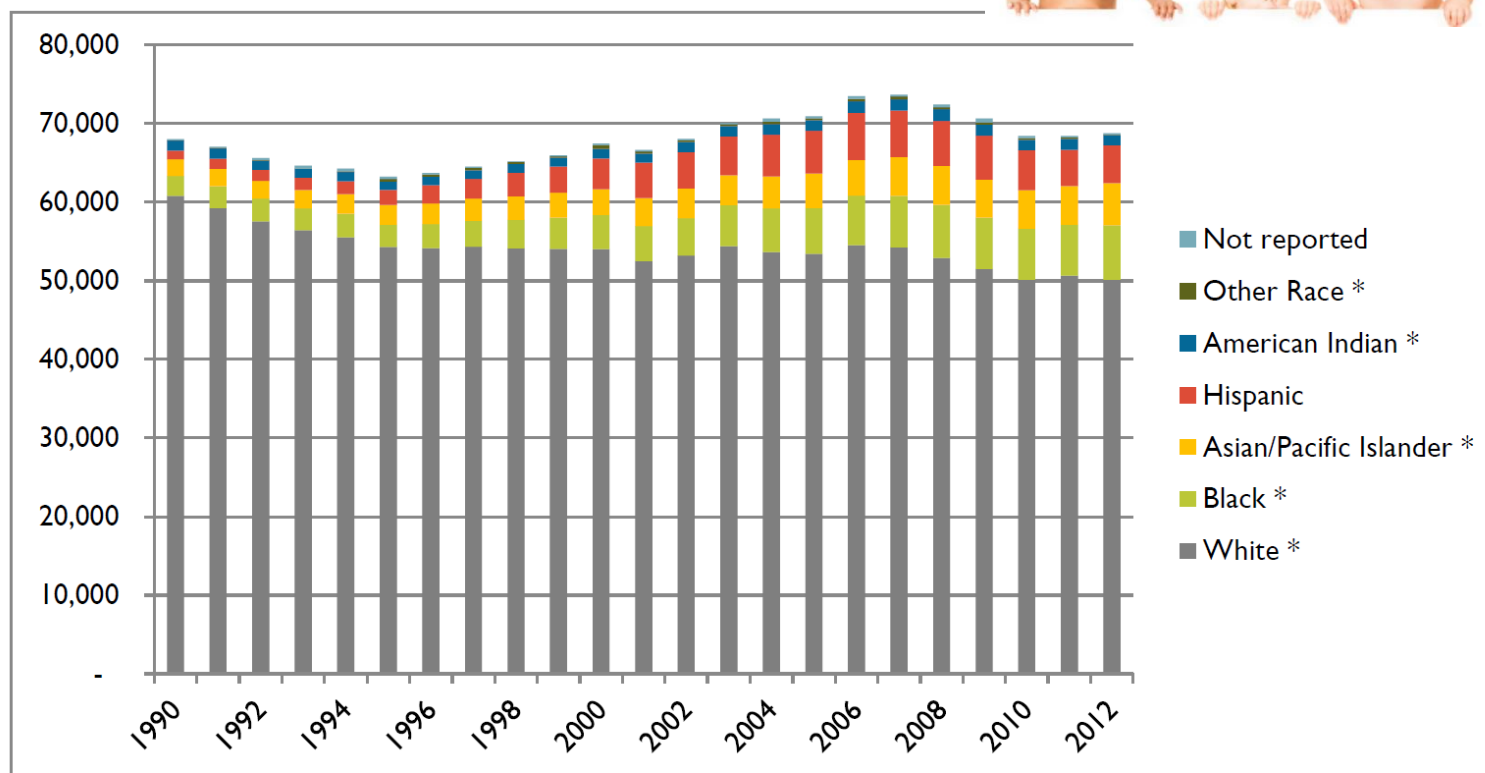


Source: Minnesota Department of Health, Vital Statistics; U.S. Census Bureau, Population Estimates.




# An increasing share of Minnesota's babies are children of Color

Figure 4: Total Births by Race of Mother, Minnesota, 1990-2012



Source: Minnesota Department of Health, Vital Statistics; U.S. Census Bureau, Population Estimates.

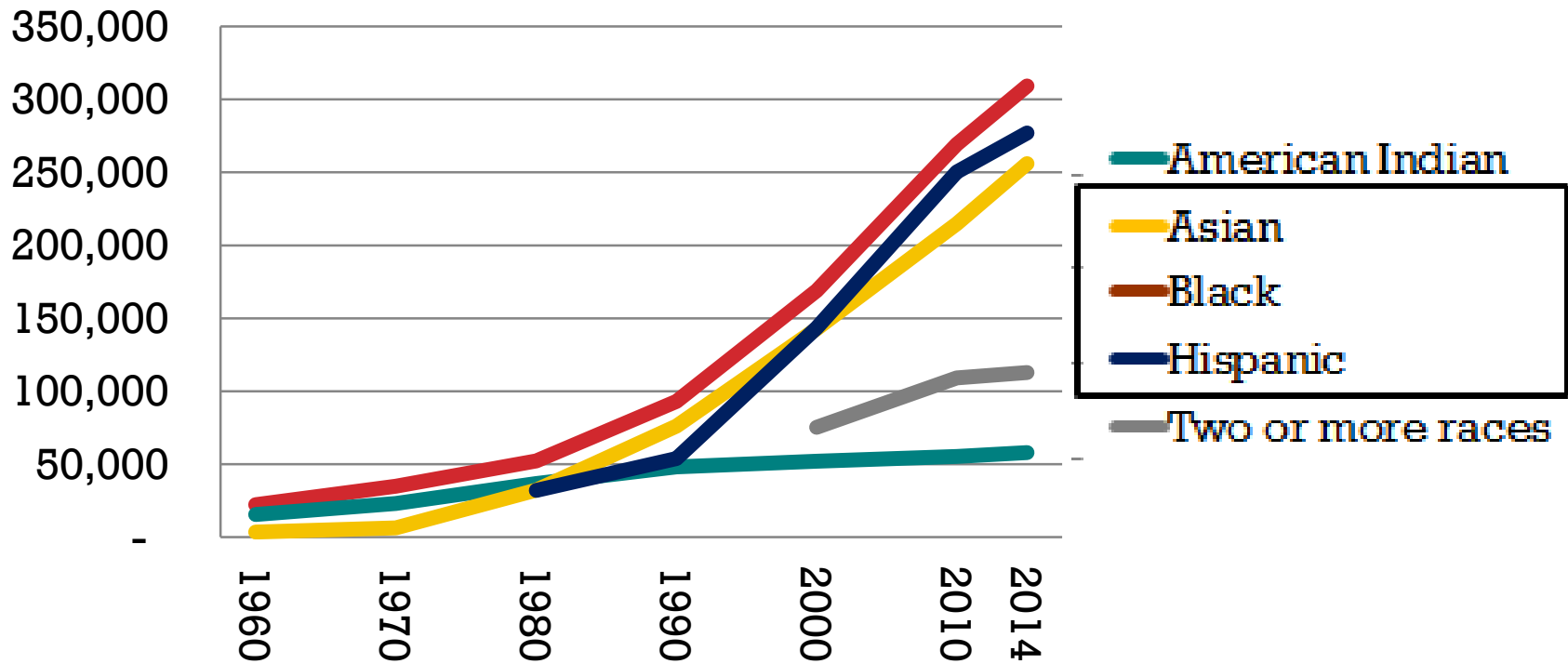


Where will  
our future  
growth come  
from?



# Populations of Color now total 1 million in MN, 19% of the population

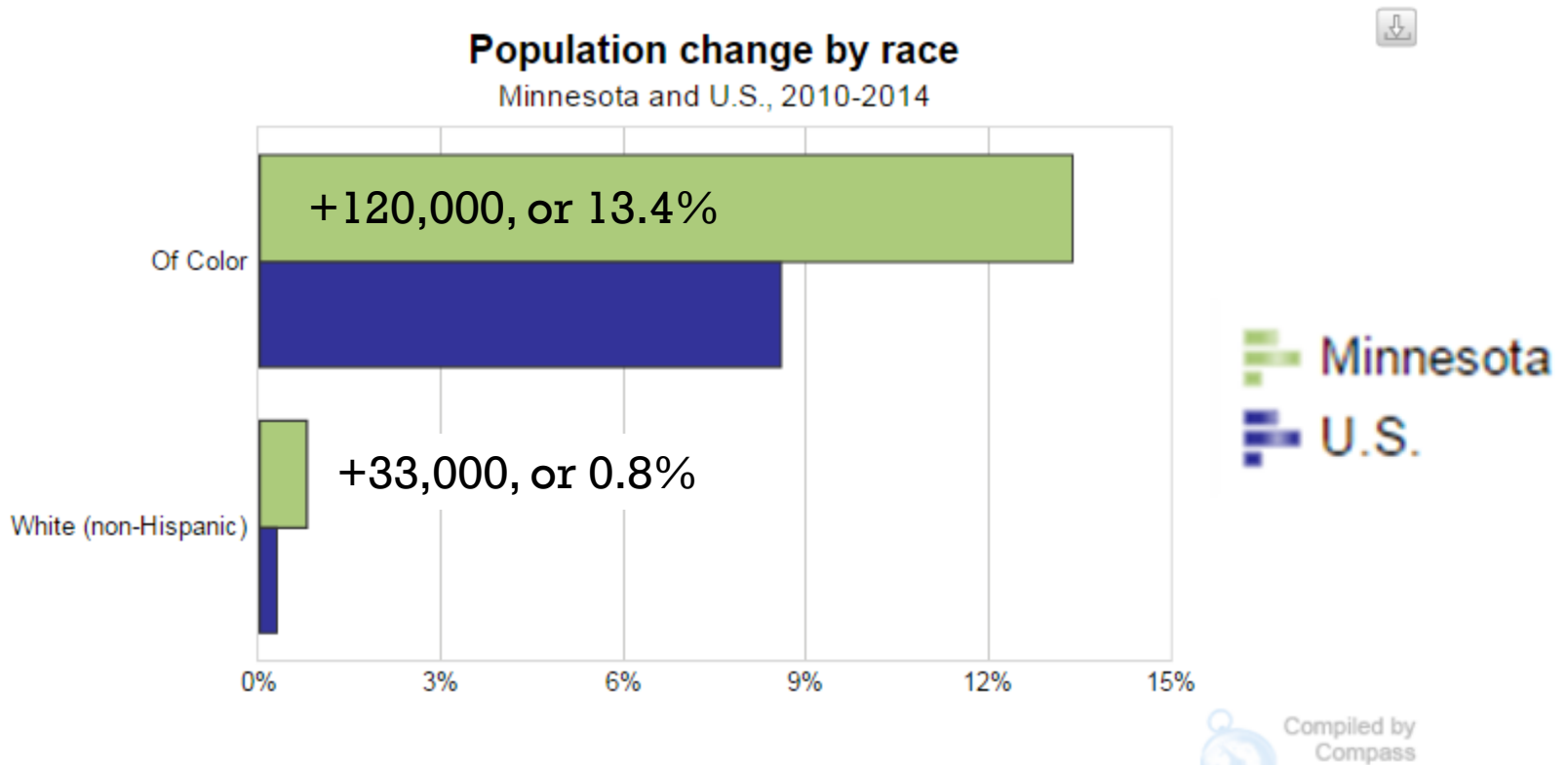
**Populations of color in Minnesota**







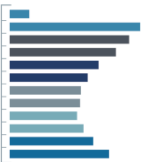
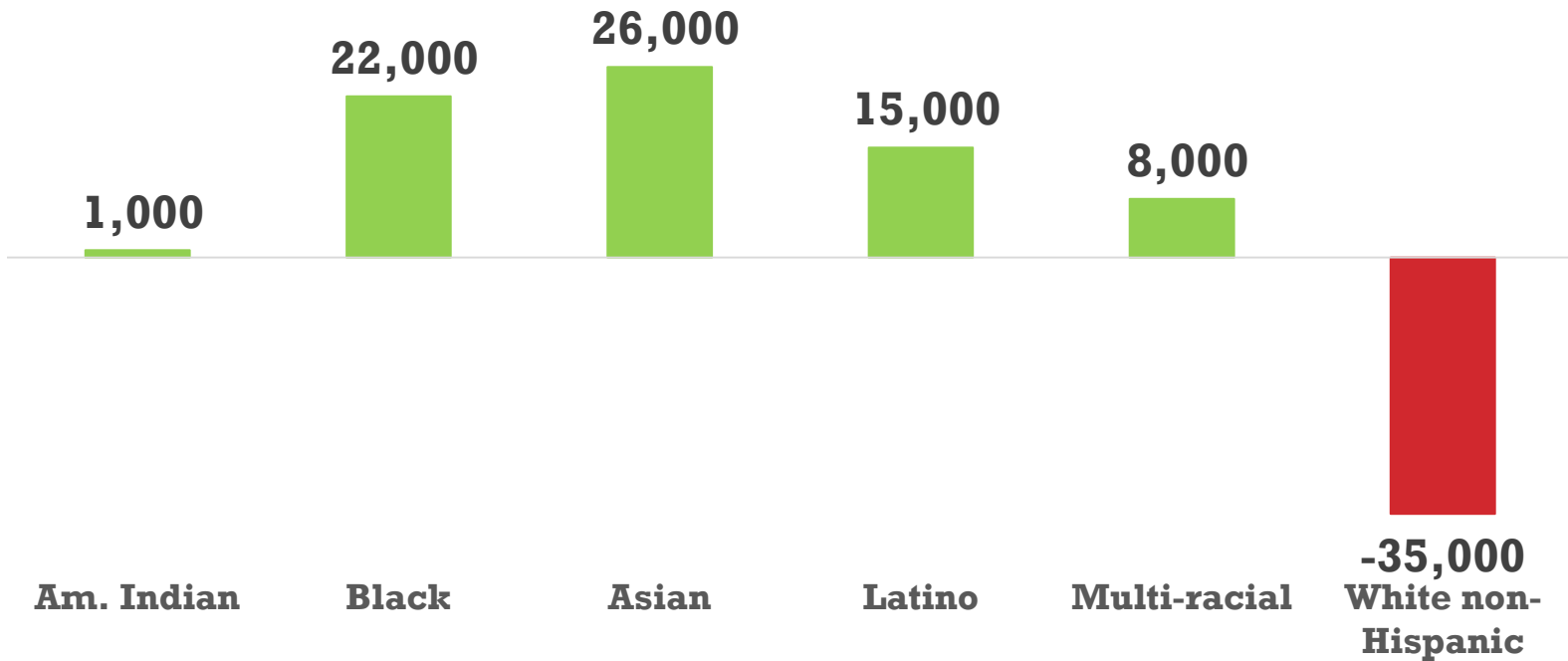
# Populations of Color are driving growth in MN & US (shown since 2010)





# White “working-age” losses, but growth in all other groups since 2010

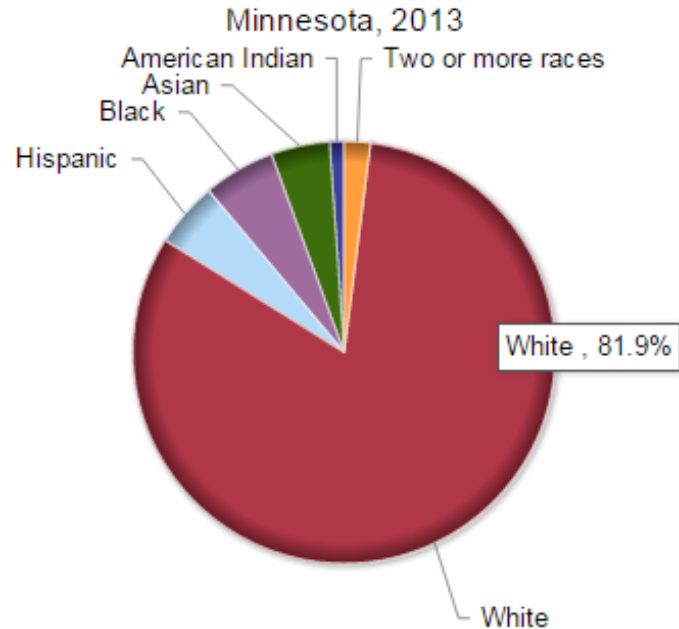
Change in MN ages 15-64, 2010-2014





# MN today by race/ethnicity (Hispanics removed from all other race groups)

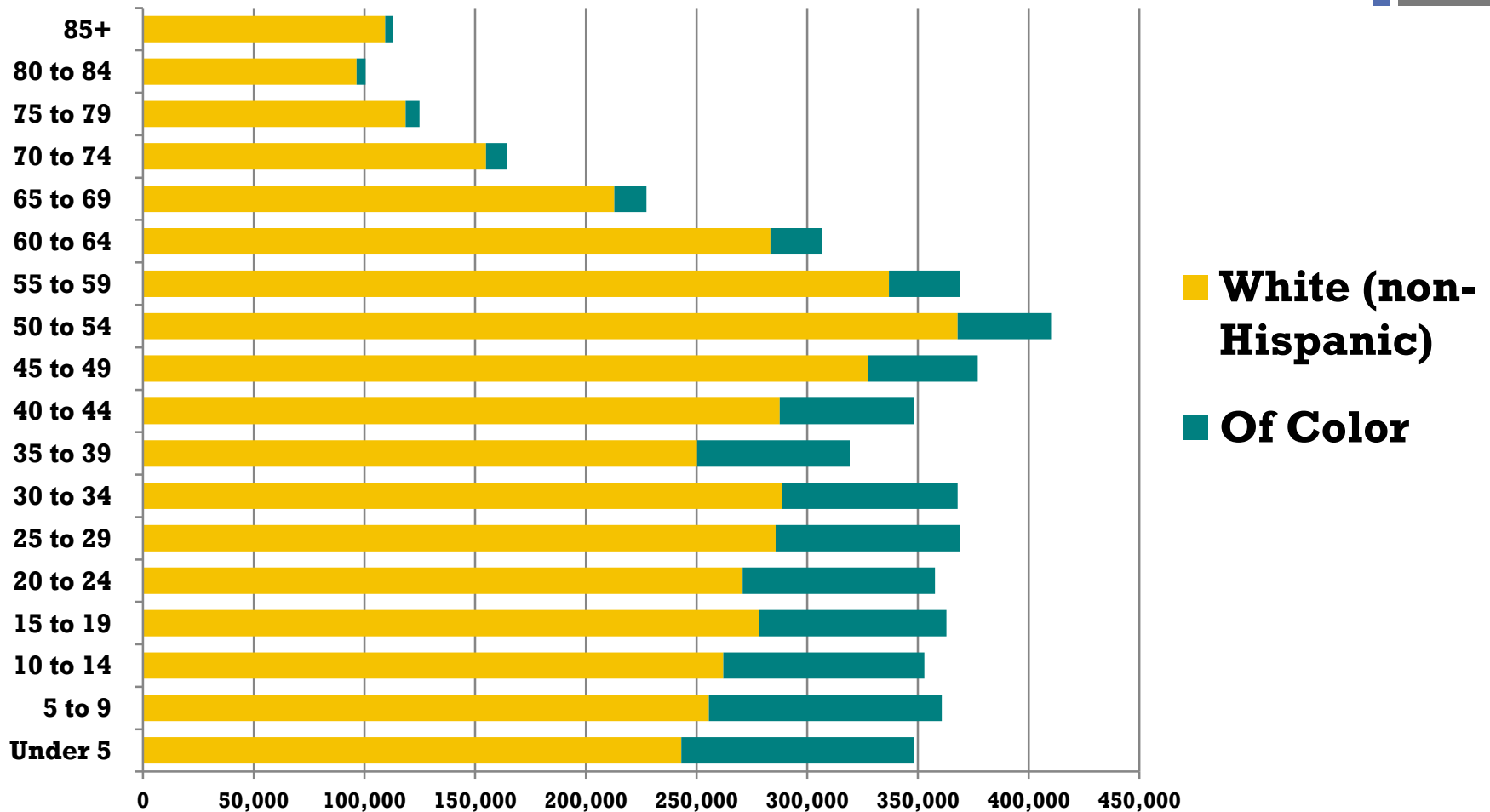
## Population by racial and ethnic group

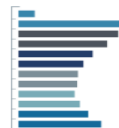
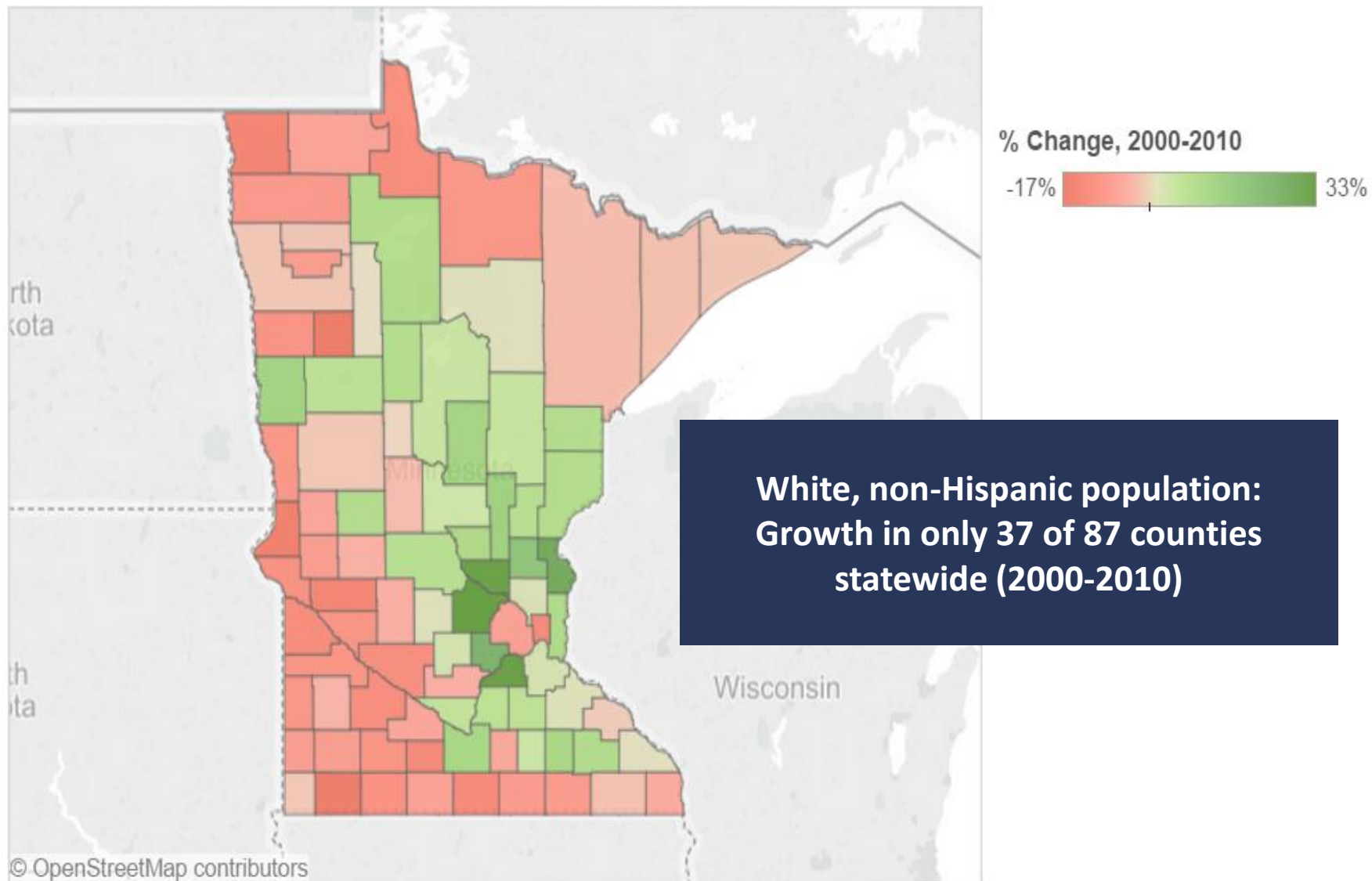


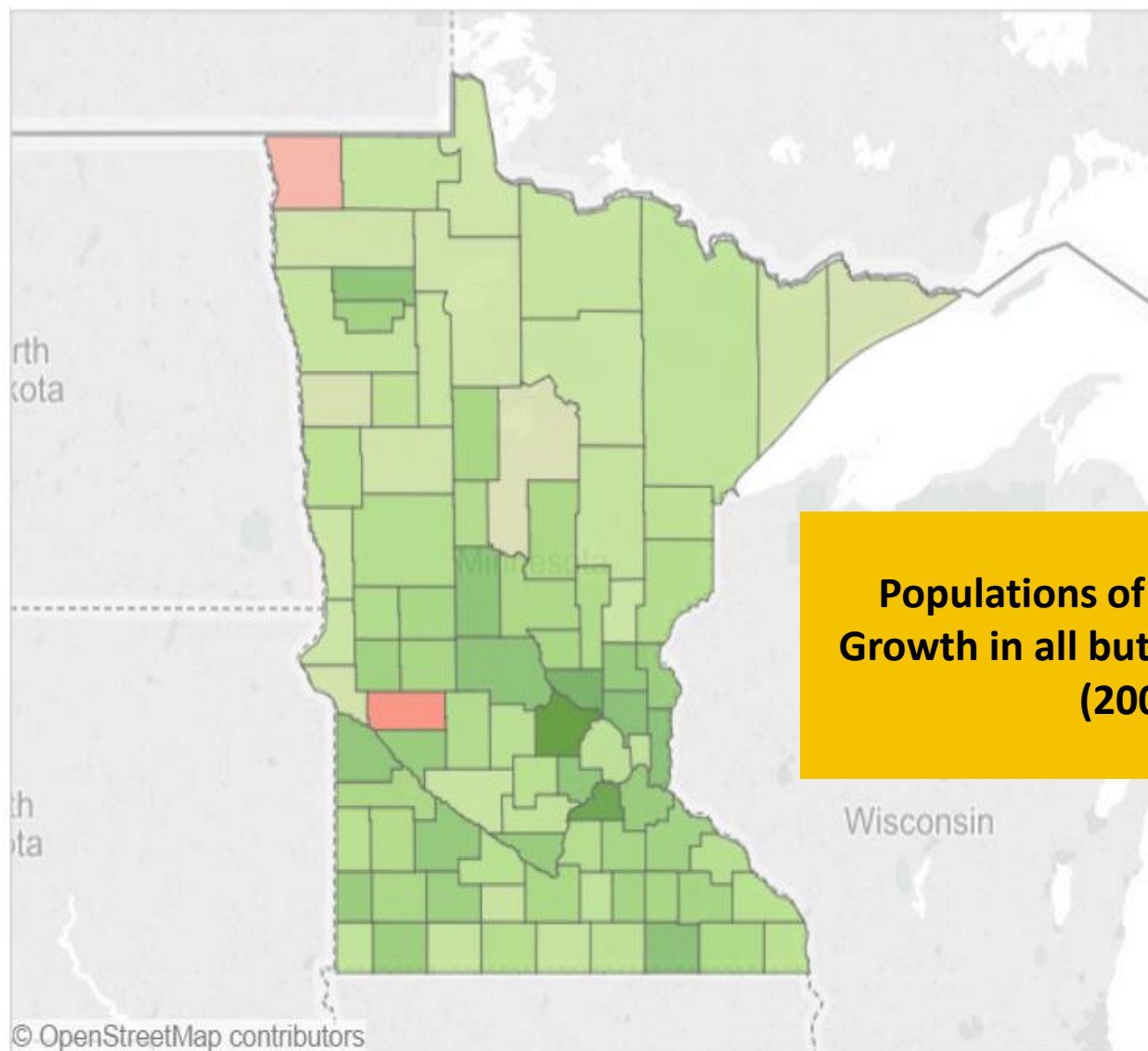
- 82% White
- 6% Black
- 5% Hispanic
- 5% Asian
- 2% Multiracial
- 1% American Indian



# Minnesota's population by age and race groups

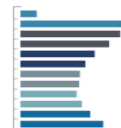






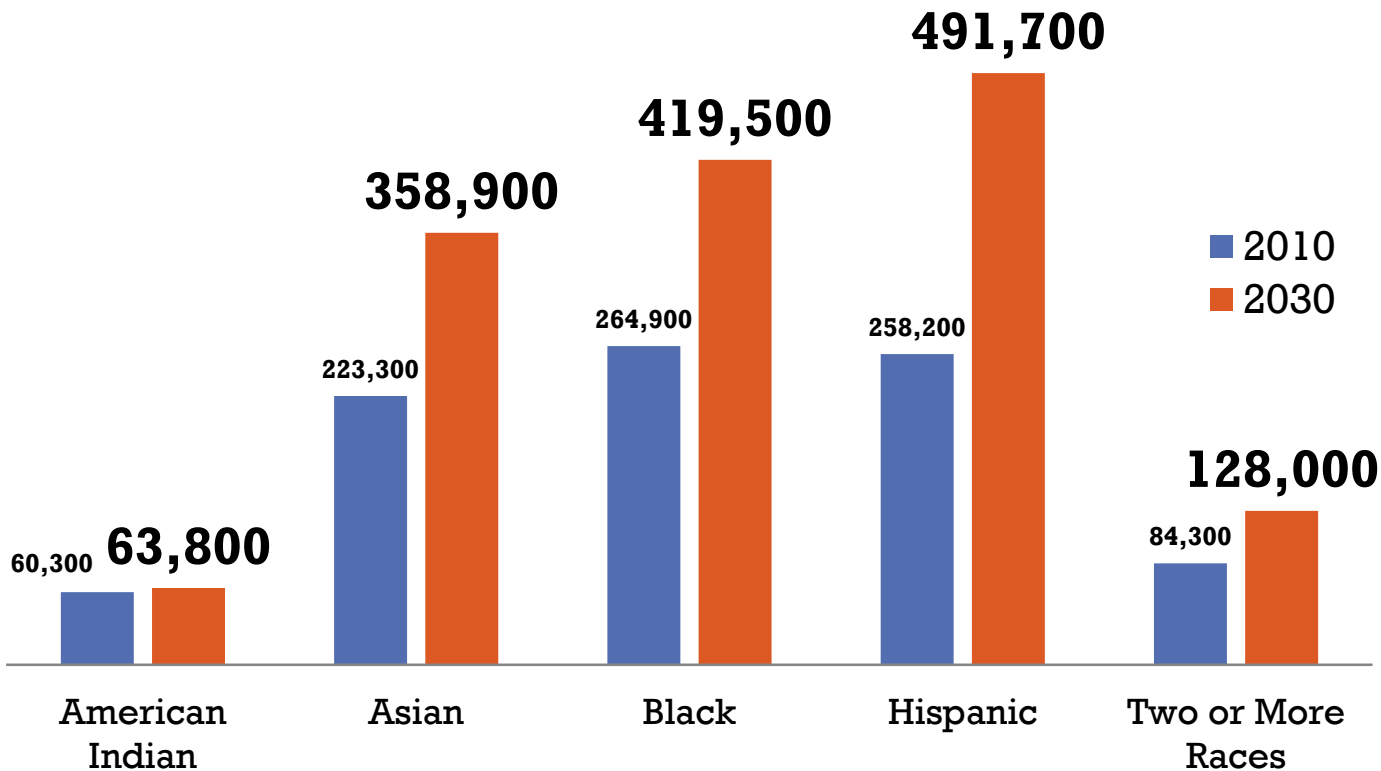
% Change, 2000-2010  
-58% 217%

**Populations of Color (non-White):  
Growth in all but 2 counties statewide  
(2000-2010)**

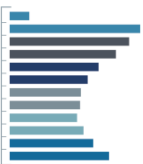




# MN: Largest growth among Asian, Black and Hispanic groups by 2030

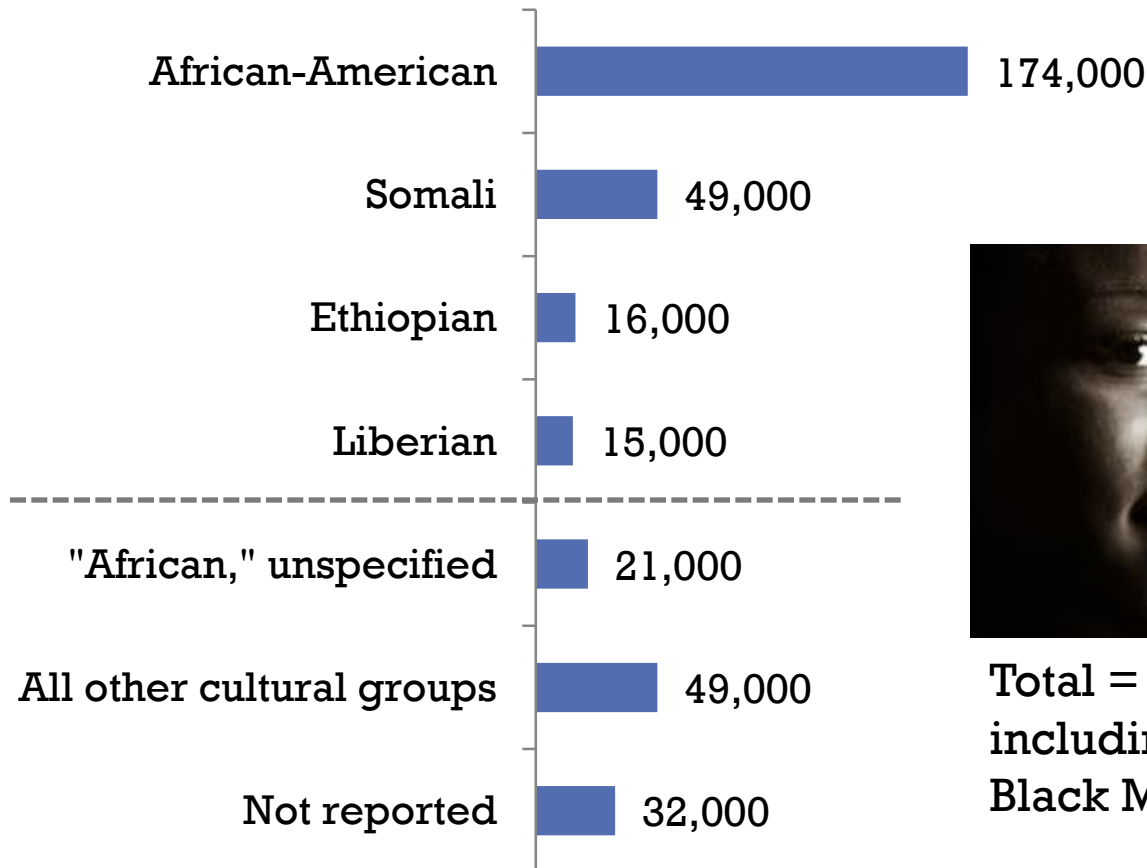
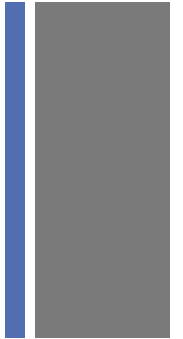


Source: Minnesota State Demographic Center projections.

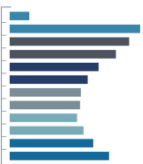




# Largest cultural groups reported by Black Minnesotans



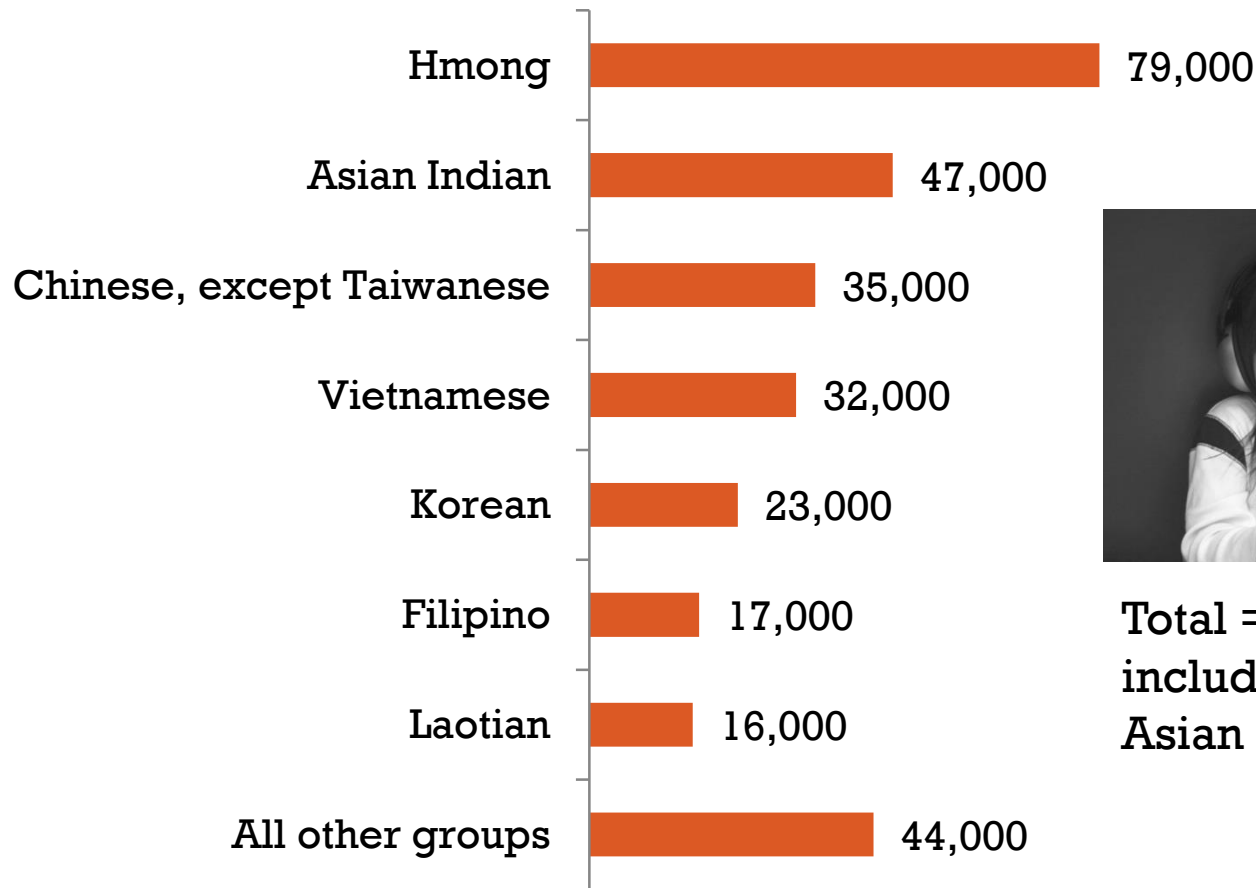
Total = 359,000  
including multi-racial  
Black Minnesotans



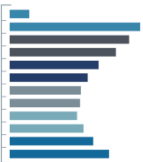




# Largest cultural groups reported by Asian Minnesotans

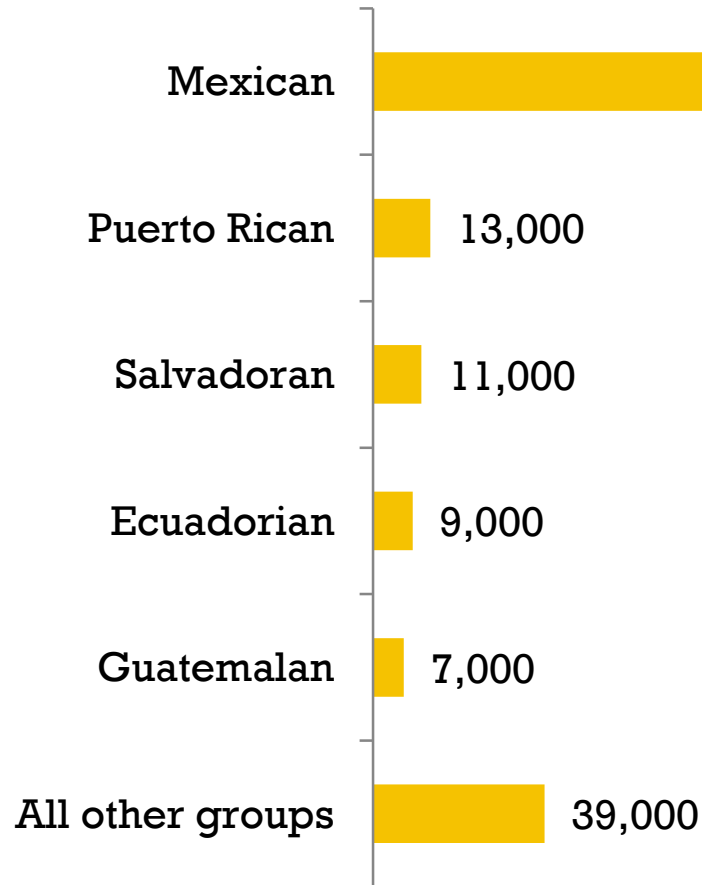


Total = 293,000  
including multi-racial  
Asian Minnesotans

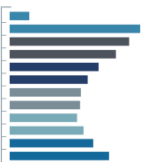




# Largest cultural groups reported by Hispanic/Latino Minnesotans



Total = 276,000  
Hispanics of any  
race or origin





# Which MN kids are leaving high school in 4 years with a diploma? (2014 data)

- 81% of all public high school students
- 51% of American Indian students
- 82% of Asian students
- 63% of Hispanic students
- 60% of Black students
- 86% of White students

**Two fastest growing demographic groups in MN**



# **The Economic Status of Minnesotans**

**A Chartbook With Data For 17 Cultural Groups**

JANUARY 2016



Minnesota State  
Demographic Center

[mn.gov/demography](http://mn.gov/demography)

**All data in the report refer to the annual average during years 2010 to 2014.  
Report is available off our homepage at [mn.gov/demography](http://mn.gov/demography) or direct at  
<http://bit.ly/1OKVT5I>**

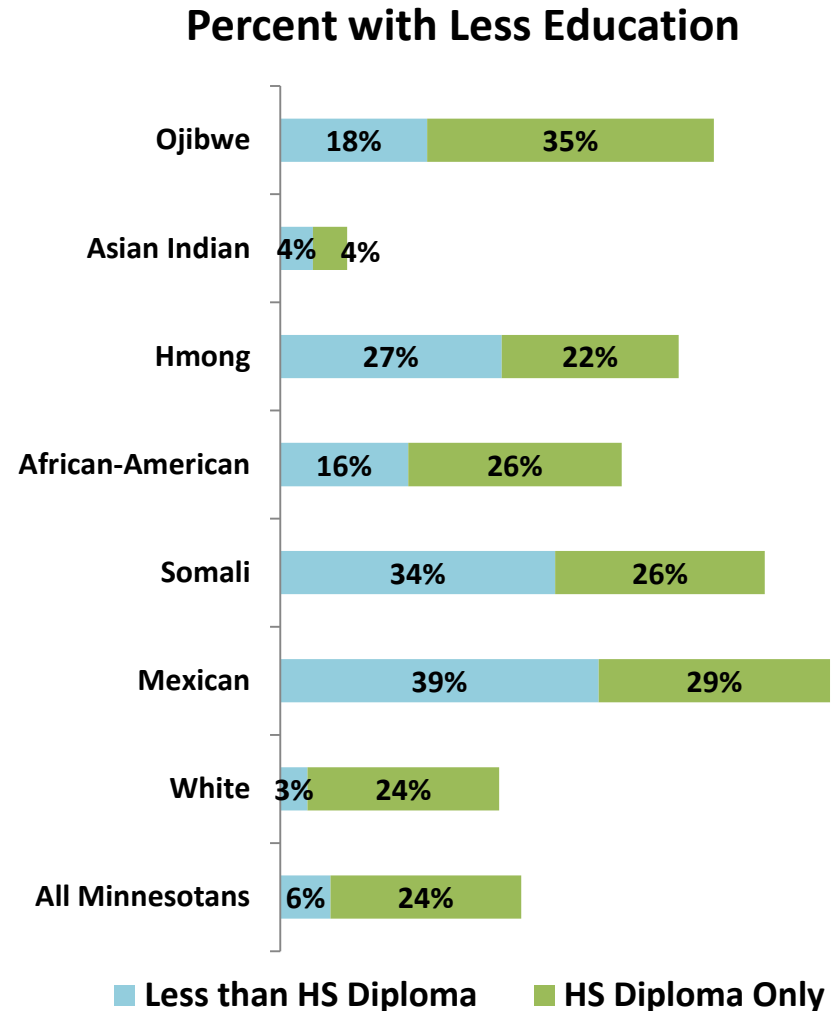
# Cultural Groups, by Size



Cultural Group	Percent	People
<b>White</b>	<b>82.1%</b>	<b>4,417,700</b>
<b>African-American</b>	<b>4.0%</b>	<b>216,700</b>
<b>Mexican</b>	<b>3.4%</b>	<b>184,100</b>
<b>Hmong</b>	<b>1.2%</b>	<b>66,600</b>
<b>Somali</b>	<b>0.9%</b>	<b>46,300</b>
<b>Asian Indian</b>	<b>0.8%</b>	<b>42,800</b>
<b>Ojibwe</b>	<b>0.6%</b>	<b>33,500</b>
Vietnamese	0.6%	29,800
Chinese	0.5%	29,400
Korean	0.4%	22,500
Ethiopian	0.3%	17,000
Filipino	0.3%	14,100
Liberian	0.3%	14,000
Puerto Rican	0.2%	12,500
Lao	0.2%	12,100
Russian	0.2%	9,900
Dakota	0.1%	6,100
<i>Not in above group</i>	3.9%	207,200
All Minnesotans	100%	5,382,400

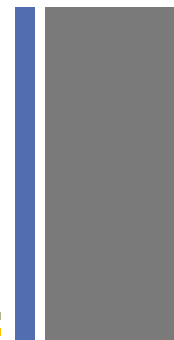
# Minnesotans With Less Education, Ages 25-64

	No H.S. Diploma/ GED	H.S. Diploma/ GED
Ojibwe	3,200	6,200
Asian Indian	1,100	1,100
Hmong	7,400	5,900
African-American	15,300	25,500
Somali	6,000	4,500
Mexican	32,200	23,400
White	81,700	573,800
All Minnesotans	179,600	677,500

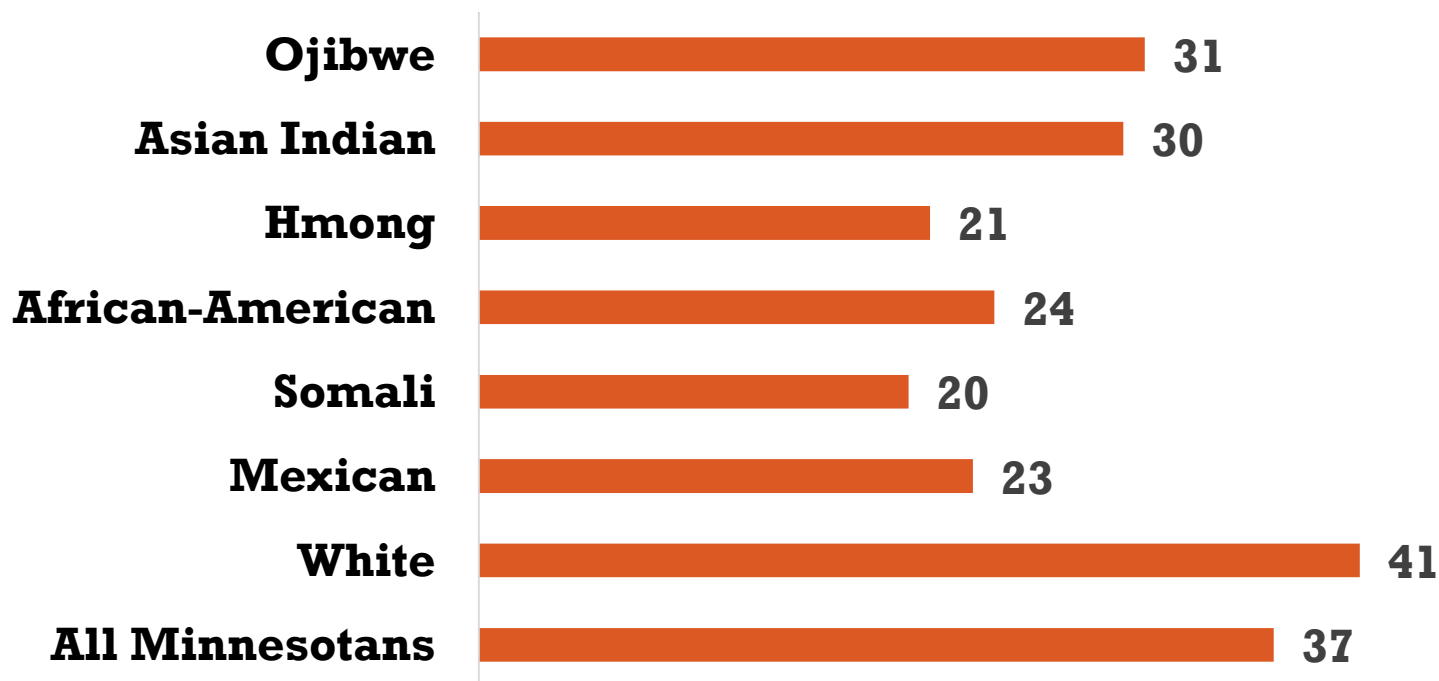




# Hmong, African-American, Somali & Mexican Minnesotans Are Young



Median Age of Minnesotans,  
2010-2014 average



# + Take-away thoughts for those contemplating these trends

---

- All areas of the state will feel the effects of an aging population. **Health care and long-term care** will become cost-drivers of public budgets. How will we balance this with other public needs?
- However, older adults transitioning out the workforce will **positively shape our communities** with volunteerism, mentoring and advancing their own solutions to the challenges of aging.
- **As Baby Boomers retire, a tightening labor force** will create new opportunities for workers, but will place strain on employers. The search for skilled hands and minds will intensify (here and across much of the globe).
- Fewer workers relative to older adults puts a premium on **developing, retaining, and attracting skilled workers and business leaders** — to fuel continued economic growth.
- Minnesota's **communities, workplaces, and markets for business** will grow more **diverse** in the decades to come. The success of populations of Color is essential for our state's overall success.





## And Finally...

---

Business and community leaders will need to be brave, creative, collaborative, and adaptive in responding to these demographic changes.

You are part of the solution!



Minnesota State Demographic Center

**Andi Egbert**

**demography.help@state.mn.us**

**mn.gov/demography**

**@MN\_StateData**

